

**PX 23**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE )  
COMMISSION, )  
 )  
PLAINTIFF, )  
 ) Case No.  
vs. ) 20-Civ-10832 (AT) (SN)  
 )  
RIPPLE LABS, INC., BRADLEY )  
GARLINGHOUSE, AND CHRISTIAN )  
LARSEN, )  
 )  
DEFENDANTS. )  
\_\_\_\_\_ )

CONFIDENTIAL

VIDEOTAPED DEPOSITION OF

RON WILL

Friday, July 30, 2021

Reported By:  
KATHLEEN WILKINS  
STENOGRAPHIC REPORTER, CSR 10068  
RPR-RMR-CRR-CCRR-CLR-CRC  
JOB No. 210730KWI

VIDEOTAPED DEPOSITION OF RON WILL

BE IT REMEMBERED that on Friday, July 30,  
2021, commencing at the hour of 9:03 a.m. thereof,  
at King & Spalding, 50 California Street,  
Suite 3300, San Francisco, California, before me,  
Kathleen A. Wilkins, RPR-RMR-CRR-CCRR-CLR-CRC, a  
Certified Stenographic Shorthand Reporter, in and  
for the State of California, personally appeared RON  
WILL, a witness in the above-entitled court and  
cause, who, being by me first duly sworn, was  
thereupon examined as a witness in said action.

1 APPEARANCES OF COUNSEL

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ALSO PRESENT:

Deborah McCrimmon, Ripple in-house counsel  
Frank Quirarte, Videographer



ZOOM PARTICIPANTS (Via Zoom Videoconference):

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Dennis Coker

Alex King

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1 JULY 30, 2021

9:03 A.M.

2 P R O C E E D I N G S

3 MORNING SESSION

4 THE VIDEOGRAPHER: Good morning, ladies  
5 and gentlemen. This begins Volume 1, Disk Number 1  
6 in the deposition of Ron Will. It's in the matter  
7 of Securities and Exchange Commission versus  
8 Ripple Labs, Inc., Bradley Garlinghouse and  
9 Christian A. Larsen. It's being held in the United  
10 States District Court for the Southern District of  
11 New York, case number CIV-10832.

12 Today's date is July 30th, 2021. Time  
13 on the record is 9:03 a.m. My name is  
14 Frank Quirarte. I'm your certified legal deposition  
15 specialist contracted by Gradillas Court Reporting.  
16 This video deposition is taking place at  
17 50 California Street in San Francisco and was  
18 noticed by the plaintiff.

19 At this time, will counsel and all present  
20 please identify yourselves for the record.

21 MS. WAXMAN: My name is Daphna Waxman, and  
22 I represent the plaintiff, the SEC.

23 MR. SYLVESTER: Mark Sylvester for the  
24 SEC.

25 MR. HECKER: Sean Hecker for Ron Will.



1 MR. FORD: Christopher Ford,  
2 Debevoise & Plimpton, for Mr. Will and Ripple Labs,  
3 Inc.

4 MR. CERESNEY: Andrew Ceresney,  
5 Debevoise & Plimpton, for Ripple and Mr. Will.

6 MS. MCCRIMMON: Deborah McCrimmon for  
7 Ripple Labs.

8 MR. HORTON: Justin Horton, Kaplan  
9 Hecker & Fink, for Mr. Will.

10 MS. DEARBORN: Meredith Dearborn, Paul  
11 Weiss, for Christian Larsen.

12 THE VIDEOGRAPHER: Counsel on the phone.

13 MR. BAMBERGER: Because nobody's in the  
14 room on behalf of Bradley Garlinghouse, I'll enter  
15 an appearance.

16 Nowell Bamberger, Cleary Gottlieb, on  
17 behalf of Mr. Garlinghouse.

18 THE VIDEOGRAPHER: Madam Court Reporter,  
19 will you please swear in the witness.

20 RON WILL,

21 having been duly sworn,

22 was examined and testified as follows:

23 MS. WAXMAN: Counsel, are there any  
24 stipulations you would like to put on the record  
25 before we begin?

1 MR. FORD: Yes. We'll designate the  
2 transcript of this deposition as confidential, and  
3 we'll stipulate that an objection raised by one  
4 counsel for the defendants or Mr. Will can be  
5 attributed to all.

6 MS. WAXMAN: Thank you.

7 EXAMINATION BY MS. WAXMAN

8 BY MS. WAXMAN:

9 Q. Please state your full name for the  
10 record.

11 A. Ron Will.

12 Q. Mr. Will, is there any reason why you  
13 cannot give accurate testimony today?

14 A. No.

15 Q. Did you attend any prep sessions in  
16 advance of this deposition?

17 A. I met with counsel.

18 Q. How many times did you meet with counsel?

19 A. I had one conference call, total of two  
20 conference calls and one in-person meeting.

21 Q. And about how many hours in total did you  
22 prepare with counsel?

23 A. Roughly ten hours.

24 Q. Okay. And which counsel participated in  
25 those meetings, those prep sessions?

1 A. Sean Hecker and --

2 MR. HECKER: Mr. Horton.

3 THE WITNESS: -- Mr. Horton and

4 Mr. Ceresney and Mr. Ford.

5 BY MS. WAXMAN:

6 Q. Did counsel for the individual defendants  
7 participate?

8 When I say "individual defendants," I mean  
9 did counsel for either Mr. Garlinghouse or  
10 Mr. Larsen participate?

11 A. No.

12 Q. Did you review any documents in advance of  
13 this deposition today?

14 MR. FORD: Just yes or no to that.

15 THE WITNESS: Yes.

16 BY MS. WAXMAN:

17 Q. Approximately how many documents did you  
18 review?

19 A. I don't recall exactly. Roughly two  
20 dozen.

21 Q. Did you review email communications?

22 MR. FORD: Again, just yes or no to that.

23 THE WITNESS: Yes.

24 BY MS. WAXMAN:

25 Q. Did you review any of Ripple's financial

1 statements?

2 MR. FORD: Again, yes or no.

3 THE WITNESS: Yes.

4 BY MS. WAXMAN:

5 Q. Okay. Which financial statements did you  
6 review?

7 MR. FORD: I'm going to instruct the  
8 witness not to answer on that.

9 MS. WAXMAN: Based on?

10 MR. FORD: Based on the fact that the  
11 documents we chose to show him in prep is work  
12 product.

13 BY MS. WAXMAN:

14 Q. Other than the lawsuit brought by [REDACTED]  
15 against Ripple, have you ever provided any other  
16 sworn testimony?

17 A. No.

18 Q. Can you please tell me about any education  
19 you have had since high school?

20 A. Went to the University of Michigan. I  
21 have a degree in economics and Japanese studies.  
22 Went to Dartmouth College, have an MBA.

23 Q. Do you have any other professional  
24 licenses?

25 A. No.



1 Q. What did you major in in college?

2 A. Economics and Japanese studies.

3 Q. Thank you.

4 Are you currently employed?

5 A. Yes, I am.

6 Q. And where do you work?

7 A. [REDACTED]

8 Q. And is that a public company?

9 A. No.

10 Q. And when did you start?

11 A. September of 2020.

12 Q. And what is your title?

13 A. Chief financial officer.

14 Q. And where did you work before [REDACTED]

15 [REDACTED]

16 A. Ripple Labs.

17 Q. And what was your title there?

18 A. Chief financial officer.

19 Q. And when did you start with Ripple?

20 A. November 2017.

21 Q. And when did your employment end?

22 A. September of 2020.

23 Q. September 2020? Okay.

24 When you were working at Ripple, did you  
25 have a strong performance record there?

1 MR. HECKER: Objection to form.

2 BY MS. WAXMAN:

3 Q. You can answer.

4 A. I believe so.

5 Q. Did you have a good relationship with  
6 management?

7 A. Yes.

8 MR. HECKER: Objection to form.

9 Just give me a beat. Objection to form.

10 THE WITNESS: Sorry.

11 BY MS. WAXMAN:

12 Q. Why did you leave Ripple?

13 A. Became interested in digital health during  
14 COVID and found an opportunity to participate in a  
15 digital health company as CFO.

16 Q. That's why you went to work for [REDACTED]  
17 [REDACTED] it sounds like, but were there any reasons  
18 why you no longer wanted to work for Ripple?

19 MR. HECKER: Objection to form.

20 THE WITNESS: No reason why I didn't want  
21 to work for Ripple.

22 BY MS. WAXMAN:

23 Q. Were you terminated?

24 A. No.

25 Q. Do you still maintain any contact with



1 people at Ripple?

2 A. Infrequent.

3 Q. Okay. And with whom?

4 A. Members of the finance team.

5 Q. And who are those people that you still  
6 keep in touch with that are members of the finance  
7 team?

8 MR. HECKER: Objection to form.

9 You can answer.

10 THE WITNESS: [REDACTED]

11 BY MS. WAXMAN:

12 Q. Anyone else?

13 A. No.

14 Q. Do you still keep in touch with  
15 Mr. Garlinghouse?

16 A. No.

17 Q. Do you still keep in touch with  
18 Mr. Larsen?

19 A. No.

20 Q. Do you still keep in touch with any of the  
21 leadership team at Ripple?

22 A. No.

23 Q. When did you learn that the SEC had filed  
24 a lawsuit against Ripple?

25 A. Late 2020.

1 Q. Okay. And since that time, have you had  
2 any discussions with anyone who was either -- who is  
3 either currently employed with Ripple or had been  
4 employed with Ripple about the lawsuit?

5 MR. FORD: Objection --

6 MR. HECKER: And just instruct you, to the  
7 extent you had discussions with counsel, it's just a  
8 yes or no, but you can otherwise answer.

9 THE WITNESS: Only discussions with  
10 counsel.

11 BY MS. WAXMAN:

12 Q. So I just want to clarify, other than  
13 discussions with counsel, have you spoke about the  
14 lawsuit with any current or former Ripple employee?

15 A. Not that I recall.

16 Q. Where did you work before Ripple?

17 A. Right before Ripple, I worked for  
18 [REDACTED]

19 Q. And what was your title?

20 A. Chief financial officer.

21 Q. And what were your responsibilities at  
22 [REDACTED]?

23 A. I was responsible for accounting,  
24 budgeting and analytics, sales finance, investor  
25 relations.

1 Q. Is [REDACTED] a public company?

2 A. [REDACTED] is a public company.

3 Q. Was it a public company when you started  
4 working there?

5 A. Yeah, it was.

6 Q. Where did you work before [REDACTED]?

7 A. Worked at [REDACTED].

8 Q. What is [REDACTED]?

9 A. It's a growth equity firm.

10 Q. And what was your title there?

11 A. Chief financial officer, chief compliance  
12 officer and operating partner.

13 Q. And when did you start working there?

14 A. Middle of 2015.

15 Q. And when did you end?

16 A. About nine months later.

17 Q. And why did you leave the firm?

18 A. Opportunity at [REDACTED], which was a  
19 public company.

20 Q. So you left Mainsail to work at [REDACTED]?

21 A. Left [REDACTED] to work at [REDACTED].

22 Q. Did you work at a company called

23 [REDACTED]?

24 A. Yes, I did.

25 Q. Okay. When did you work at a company

1 called [REDACTED]?

2 A. 2011 to 2014.

3 Q. Okay. And what was your title there?

4 A. Chief financial officer.

5 Q. Okay. And is that a public company?

6 A. No.

7 Q. Okay. Was it ever a public company?

8 A. No.

9 Q. And did you ever work at [REDACTED]?

10 A. Yes.

11 Q. Okay. And during what period of time did  
12 you work at [REDACTED]?

13 A. 2004 to 2011.

14 Q. And what was your title at [REDACTED]?

15 A. I started as director of finance, then  
16 became vice president of finance, and then became  
17 treasurer.

18 Q. And when you started to work at [REDACTED] was  
19 it a public company?

20 A. Yes.

21 Q. Do you have any experience taking a  
22 company public or doing an IPO with a company?

23 MR. HECKER: Objection to form.

24 THE WITNESS: As an investment banker, I  
25 took companies public.



1 BY MS. WAXMAN:

2 Q. And where were you working at the time?

3 A. [REDACTED]

4 Q. And how many years ago was that?

5 A. I left [REDACTED] in late 2001, early  
6 2002.

7 Q. And the -- your work history that we were  
8 just talking now, were you ever involved in taking  
9 any of those companies public?

10 A. Prepared [REDACTED] to go public. We were  
11 acquired by [REDACTED]

12 Q. And as part of your -- you said you  
13 prepared [REDACTED] to become public. What were  
14 your responsibilities in connection with that?

15 A. Preparing the finance department for the  
16 rigors of being a public company, being able to  
17 produce financial statements on a timely basis with  
18 the necessary rigor, preparing the budgeting and  
19 analytics department so that you could forecast the  
20 business accurately, things of that matter.

21 Q. Are there certain financial documents that  
22 need to be prepared before a company goes public?

23 MR. HECKER: Objection to form.

24 THE WITNESS: That the company needs to be  
25 prepared to provide or they -- they need to provide

1 a registration statement.

2 BY MS. WAXMAN:

3 Q. And were you involved in drafting a  
4 registration statement in connection with  
5 [REDACTED] becoming public?

6 MR. HECKER: Objection to form.

7 THE WITNESS: Don't recall us ever  
8 drafting a registration statement.

9 BY MS. WAXMAN:

10 Q. Do you know what information needs to be  
11 disclosed in a registration statement?

12 MR. HECKER: Objection to form.

13 THE WITNESS: I'm familiar with what  
14 information needs to be -- in a registration  
15 statement.

16 BY MS. WAXMAN:

17 Q. What business-related information needs to  
18 be included in a registration statement?

19 MR. HECKER: Objection to form.

20 THE WITNESS: I'm not a SEC reporting  
21 expert, but --

22 BY MS. WAXMAN:

23 Q. Neither am I. It's okay.

24 A. -- business-related information would  
25 include financial statements, typically you'd



1 include operating information, operating metrics, a  
2 description of the business, risk factors, things  
3 like that.

4 Q. Do you know what a related-party  
5 transaction is?

6 A. Yes, I do.

7 Q. What is it?

8 A. Simply a transaction between any party  
9 that has a relationship with the company in some  
10 way.

11 Q. And does public -- does a public company  
12 need to disclose related-party transactions in their  
13 registration statements?

14 MR. HECKER: Objection form.

15 THE WITNESS: I believe they do.

16 BY MS. WAXMAN:

17 Q. Does a public company need to disclose  
18 trading in company stock by executives?

19 MR. HECKER: Objection to form.

20 Foundation. Calls for legal conclusions.

21 You can answer if you understand it.

22 THE WITNESS: Frequently, public companies  
23 do provide that information for a subset of the  
24 executives.

25 / /

1 BY MS. WAXMAN:

2 Q. And does a public company -- you said a  
3 public company needs to disclose certain risks  
4 related to its business, correct?

5 A. Typically, there's a section of the  
6 registration statement that has risk factors.

7 Q. Once a public company -- once a company  
8 becomes public, are there certain reports that it  
9 needs to file on a periodic basis?

10 MR. HECKER: Same set of objections.  
11 Calls for a legal conclusion.

12 You can answer if you understand it.

13 BY MS. WAXMAN:

14 Q. From the perspective of a chief financial  
15 officer. That's where I'm asking the question. I'm  
16 not asking for any legal conclusion or any legal  
17 advice that you may have gotten from a lawyer.

18 A. A company needs to be prepared to provide,  
19 typically, a 10-K, which is an annual -- an  
20 annual-like report or it's released on an annual  
21 basis; a 10-Q, which is a quarterly report; and 8-K  
22 for any kind of material transactions.

23 Q. And in your prior work experience, have  
24 you ever prepared any of these financial documents?

25 MR. FORD: Objection to form.

1 BY MS. WAXMAN:

2 Q. You can answer.

3 MR. FORD: You can answer.

4 THE WITNESS: During the time period I was  
5 at [REDACTED], I was involved with the preparation of  
6 the 10-Q.

7 BY MS. WAXMAN:

8 Q. And for what purpose were you involved in  
9 the preparation of the 10-Q for the [REDACTED]?

10 MR. HECKER: Objection to form.

11 THE WITNESS: I was the chief financial  
12 officer. I was signing the 10-Q.

13 BY MS. WAXMAN:

14 Q. We just spoke about all these things that  
15 a public company needs to report in a registration  
16 statement. We also spoke about periodic filings  
17 that a company needs to make once they become a  
18 public company, public reporting company.

19 Did Ripple disclose any of the things that  
20 we just spoke about publicly?

21 MR. HECKER: Objection to form.  
22 Foundation.

23 THE WITNESS: Ripple was not a public  
24 company.

25 / /



1 BY MS. WAXMAN:

2 Q. Did Ripple disclose any related-party  
3 transactions --

4 MR. HECKER: Same objection.

5 BY MS. WAXMAN:

6 Q. -- publicly?

7 MR. HECKER: Same objection.

8 THE WITNESS: Ripple is not a public  
9 company, so there was no requirement to disclose  
10 related-party transactions.

11 BY MS. WAXMAN:

12 Q. So it did not disclose related-party  
13 transactions?

14 A. Not to my knowledge.

15 Q. Okay. Did Ripple disclose trading in  
16 Ripple stock by its executives?

17 MR. FORD: Objection to form.

18 THE WITNESS: Ripple, to my knowledge, did  
19 not publicly disclose trading activity.

20 BY MS. WAXMAN:

21 Q. If they did, would that be something you  
22 would know about?

23 MR. HECKER: Objection to form. Calls for  
24 speculation. Vague as to time period.

25 THE WITNESS: In the time period I was

1       there, that would be, if we made a public  
2       announcement, that would be something I would  
3       typically be involved in.

4       BY MS. WAXMAN:

5             Q.   Does Ripple disclose any risks related to  
6       its business?

7             MR. FORD:  Objection to form.

8             THE WITNESS:  Ripple's not a public  
9       company, so my recollection is we did not publicly  
10      disclose any -- any of the risks related to its  
11      business.

12      BY MS. WAXMAN:

13            Q.   And did Ripple -- as part of the  
14      registration statement, do public companies need to  
15      disclose executive compensation?

16            MR. FORD:  Objection to form.

17            THE WITNESS:  To my knowledge, there are  
18      requirements to disclose a subset of executive  
19      compensation as part of the registration statement.

20      BY MS. WAXMAN:

21            Q.   And did Ripple disclose any executive  
22      compensation?

23            A.   Ripple --

24            MR. FORD:  Objection.

25            THE WITNESS:  Sorry.

1 MR. FORD: Objection to form.

2 THE WITNESS: Ripple was not a public  
3 company, so Ripple did not disclose executive  
4 compensation.

5 BY MS. WAXMAN:

6 Q. Was it your understanding that Ripple was  
7 not required to provide any of this information  
8 publicly because it was a private company?

9 MR. HECKER: Objection to form.

10 MR. FORD: Objection to form. And to the  
11 extent you can answer that without revealing any  
12 conversations you had with counsel, you can answer.  
13 But if your answer would be informed by  
14 conversations you had with counsel, then I'll  
15 instruct the witnesses not to answer.

16 BY MS. WAXMAN:

17 Q. And, again, I'm just asking you in your  
18 role as chief financial officer and in connection  
19 with your -- your past prior experience as chief  
20 financial officer for -- for private companies.

21 MR. FORD: I'll repeat the instruction to  
22 the witness not to answer to the extent it discloses  
23 conversations he may have had with counsel.

24 MS. WAXMAN: Will the reporter repeat the  
25 question?



1 MR. HECKER: Which one?

2 MS. WAXMAN: The last one.

3 (Record read by the reporter  
4 as follows:

5 "QUESTION: And did Ripple  
6 disclose any executive  
7 compensation?")

8 THE REPORTER: There were objections and  
9 the clarification was.

10 (Record read by the reporter  
11 as follows:

12 "QUESTION: Was it your  
13 understanding that Ripple was not  
14 required to provide any of this  
15 information publicly because it  
16 was a private company?")

17 THE WITNESS: I relied on conversations  
18 with counsel around that.

19 BY MS. WAXMAN:

20 Q. Did you ever discuss with anyone at Ripple  
21 whether to disclose this information? And, again,  
22 other than with conversations -- I'm not interested  
23 in any conversations you've had with counsel.

24 MR. HECKER: So just to -- just so the  
25 witness is clear, the question is whether you had

1 conversations outside the presence of counsel about  
2 that topic.

3 THE WITNESS: No.

4 BY MS. WAXMAN:

5 Q. So Ripple didn't disclose this information  
6 because it was a public company --

7 MR. HECKER: Objection --

8 BY MS. WAXMAN:

9 Q. -- because it was a private company?

10 MR. HECKER: Objection to form. Asked and  
11 answered.

12 THE WITNESS: Relied on conversations with  
13 counsel, but as a private company, there was no  
14 requirement.

15 BY MS. WAXMAN:

16 Q. I don't want you to tell me --

17 MR. HECKER: Move to strike the answer.

18 I'm not quite sure what the question was getting at,  
19 but ...

20 BY MS. WAXMAN:

21 Q. How did you come to work for Ripple?

22 A. I knew Bradley Garlinghouse from [REDACTED],  
23 and we were reconnected by a mutual acquaintance.

24 Q. And did he introduce you to Ripple?

25 A. Yes.

1 Q. And who offered you the job?

2 A. Brad Garlinghouse.

3 Q. And when he first contacted you about the  
4 position, what did he -- did he explain why he  
5 wanted you to come work for Ripple?

6 A. I don't recall the specifics of the  
7 conversation.

8 Q. Do you have -- did you have an  
9 understanding of why he hired you?

10 MR. FORD: Objection to form.

11 THE WITNESS: I don't have a specific  
12 understanding why he chose to hire me. It was never  
13 discussed.

14 BY MS. WAXMAN:

15 Q. Did you have an understanding of what your  
16 role would be --

17 A. Yes, I did.

18 Q. -- at the company?

19 And what was your understanding?

20 A. I had experience as a private company,  
21 high growth Silicon Valley CFO, and they needed  
22 someone with that skill set.

23 Q. And what skill set did Ripple -- what did  
24 Ripple need that you could provide?

25 MR. HECKER: Objection to form.

1 THE WITNESS: I was familiar with business  
2 models, fundraising, growth dynamics within high  
3 growth companies in Silicon Valley.

4 BY MS. WAXMAN:

5 Q. What do you mean when you say "high growth  
6 company"?

7 A. In Silicon Valley, high growth companies  
8 have unique characteristics, typically venture  
9 capital backed, typically unprofitable, and  
10 typically investing for future growth.

11 Q. Was Ripple unprofitable --

12 MR. FORD: Objection to form. Are you --

13 BY MS. WAXMAN:

14 Q. -- at the time you were hired?

15 MR. FORD: Are you asking him what his  
16 understanding was about the company before he joined  
17 the company.

18 MS. WAXMAN: Yes.

19 MR. FORD: Okay. If you have that  
20 understanding.

21 You can answer.

22 THE WITNESS: I assumed it was  
23 unprofitable when I joined.

24 BY MS. WAXMAN:

25 Q. Okay. And did you ever discuss Ripple's



1     profitability before or at the time you joined with  
2     Mr. Garlinghouse?

3             MR. FORD:  Objection to form.

4             THE WITNESS:  I recall discussing  
5     profitability --

6     BY MS. WAXMAN:

7             Q.     And --

8             A.     -- at the time I joined.

9             Q.     Okay.  And did you come to learn that  
10    Ripple was not profitable?

11            A.     Yes.

12            Q.     Okay.  And did you discuss with  
13    Mr. Garlinghouse why the company had not been  
14    profitable?

15            MR. FORD:  Objection to form.

16            THE WITNESS:  It is very typical for  
17    companies at that stage to be unprofitable, so we  
18    did not specifically discuss why.

19    BY MS. WAXMAN:

20            Q.     Okay.  Is there anything specific about  
21    Ripple's business that made -- that caused it to be  
22    unprofitable?

23            MR. HECKER:  Objection to form.

24            MR. FORD:  Objection.

25            THE WITNESS:  At the time I joined?

1 BY MS. WAXMAN:

2 Q. Yeah. I'm just talking about the time you  
3 joined, the time, you know, Mr. Garlinghouse  
4 approached you about the position.

5 MR. FORD: Same objection.

6 THE WITNESS: Ripple at the time, my  
7 understanding was it was building a payment network.  
8 Payment networks, similar to other networks, require  
9 counterparties on multiple sides to attract volume.  
10 And it -- it is typical that they are highly  
11 unprofitable at the early stages as they're trying  
12 to build volume.

13 BY MS. WAXMAN:

14 Q. At the time you left Ripple, was the  
15 company profitable?

16 A. On a net-income basis?

17 Q. Are you asking me?

18 A. Yes. Just a clarification of what you  
19 mean by "profitable."

20 Q. From a very high level. I mean, did it  
21 take in enough revenues to cover its expenses --

22 MR. HECKER: Objection --

23 BY MS. WAXMAN:

24 Q. -- at the time you left?

25 MR. HECKER: Objection to form.

1 Foundation.

2 THE WITNESS: On a net-income basis, it  
3 was profitable.

4 BY MS. WAXMAN:

5 Q. Okay. What about on a cash basis?

6 MR. HECKER: Objection to form.

7 THE WITNESS: On a cash burn basis, it was  
8 also profitable, I recall.

9 BY MS. WAXMAN:

10 Q. And in what year did it become profitable?

11 MR. HECKER: Objection to form.

12 Foundation.

13 THE WITNESS: Don't recall.

14 BY MS. WAXMAN:

15 Q. During the periods where Ripple was not  
16 profitable and going back to your early  
17 conversations with Mr. Garlinghouse, did you come to  
18 understand how Ripple financed its operations?

19 MR. HECKER: Objection to form.

20 You can answer.

21 THE WITNESS: My understanding at the time  
22 was Ripple was financing its business through a  
23 combination of venture capital at the time.  
24 Investments from their Series B fundraising.

25 / /

1 BY MS. WAXMAN:

2 Q. And when was the Series B?

3 MR. FORD: Objection to form.

4 THE WITNESS: I recall it being sometime  
5 in 2016.

6 BY MS. WAXMAN:

7 Q. Before you accepted the job at Ripple, did  
8 you read anything about the company?

9 A. Recall spending time on their website.

10 Q. And did you have an understanding of what  
11 XRP was at the time?

12 MR. FORD: Objection to form.

13 THE WITNESS: I had no experience with  
14 cryptocurrency so I did not have a good  
15 understanding of XRP at the time.

16 BY MS. WAXMAN:

17 Q. And when you spoke to Brad, at the time  
18 that he hired you, did he tell you what XRP was or  
19 how it fit into Ripple's business model?

20 MR. HECKER: Objection to form. Compound.

21 THE WITNESS: I recall us having  
22 discussions around that. I don't specifically  
23 recall the conversation, but I recall having a  
24 conversation.

25 / /



1 BY MS. WAXMAN:

2 Q. Okay. And did you have an understanding  
3 of how XRP fit into Ripple's business?

4 MR. FORD: Objection to form.

5 BY MS. WAXMAN:

6 Q. And this is at the time that he hired you.

7 A. I don't believe I did. Don't recall  
8 having an understanding.

9 Q. Did you come -- did you ever discuss with  
10 Mr. Garlinghouse that Ripple maintained a very large  
11 amount of XRP?

12 MR. FORD: Objection to form.

13 THE WITNESS: I recall that coming up in  
14 my diligence of the company.

15 BY MS. WAXMAN:

16 Q. Okay. And how much XRP did the company  
17 own?

18 MR. FORD: Objection to form.

19 THE WITNESS: Late 2017, Ripple owned  
20 approximately 62 billion units of XRP.

21 BY MS. WAXMAN:

22 Q. And did Ripple consider that a valuable  
23 asset?

24 MR. FORD: Objection to form.

25 MR. HECKER: Objection.

1 THE WITNESS: In my discussions with Brad,  
2 Brad considered it a valuable asset.

3 BY MS. WAXMAN:

4 Q. Okay. And did Ripple sell its XRP to fund  
5 its operations?

6 MR. FORD: Objection.

7 MR. HECKER: What time period? Are we  
8 talking about before he joined?

9 MS. WAXMAN: Yeah. I'm still talking  
10 about right at the time that he joined the company.

11 MR. FORD: Objection to form.

12 THE WITNESS: At the time I joined, I  
13 don't recall prior to joining, Brad specifically  
14 mentioning sales of XRP.

15 BY MS. WAXMAN:

16 Q. When did you first -- did you -- at some  
17 point, did you learn that Ripple sold XRP?

18 A. After I joined, yeah.

19 Q. And about how long after you joined did  
20 you learn that Ripple sold XRP?

21 A. Shortly after.

22 Q. Okay. And at some point, did you come to  
23 learn why Ripple sold XRP?

24 A. Yes.

25 Q. And when did you come to learn why Ripple

1 sold XRP?

2 A. Shortly after joining.

3 Q. Okay. And who told you why Ripple sold  
4 XRP?

5 MR. HECKER: Objection to form.

6 BY MS. WAXMAN:

7 Q. How did you --

8 A. I don't recall -- I don't recall anyone  
9 telling me.

10 Q. How did you come to learn that Ripple sold  
11 XRP?

12 A. Reviewed the financial statements.

13 Q. And what did the financial statements  
14 indicate regarding Ripple's sales of XRP?

15 A. Ripple sold XRP for cash.

16 Q. And did the financial statements indicate  
17 that Ripple's sales of XRP funded Ripple's  
18 operations?

19 MR. FORD: Objection.

20 MR. HECKER: Objection to form.

21 THE WITNESS: Sales of XRP are revenue,  
22 according to generally accepted accounting  
23 principles. And they're a part the cash flow of the  
24 company in addition to software revenues at the  
25 time.

1 BY MS. WAXMAN:

2 Q. At the time that you learned -- strike  
3 that.

4 The -- what financial statements did you  
5 review that made you come to the realization that  
6 Ripple sold XRP?

7 A. I don't recall the specific financial  
8 statements, but as standard practice a finance  
9 department will provide monthly financial  
10 statements, and I reviewed those monthly, and  
11 quarterly financial statements.

12 Q. Is that -- is it fair to say the financial  
13 statements were one of the first things you reviewed  
14 when you were hired at Ripple?

15 MR. FORD: Objection to form.

16 THE WITNESS: Financial statements are  
17 typically one of the first things I review.

18 BY MS. WAXMAN:

19 Q. And what did the financial statements --

20 MR. HECKER: Ms. Waxman --

21 BY MS. WAXMAN:

22 Q. -- tell you about XRP?

23 MR. HECKER: Ms. Waxman?

24 MS. WAXMAN: Yes.

25 MR. HECKER: Can you just let him finish



1 his answer and slow down a little, you're jumping on  
2 top of his answer.

3 MS. WAXMAN: I apologize.

4 Q. What did the financial statements tell you  
5 about XRP?

6 MR. FORD: Objection to form.

7 THE WITNESS: It told me that they were a  
8 revenue source for the company.

9 BY MS. WAXMAN:

10 Q. And how did the XRP revenues compare to  
11 revenues -- other revenues that the company had, if  
12 they had any?

13 MR. HECKER: Objection to form.

14 You can answer.

15 THE WITNESS: The majority of revenue of  
16 the company, around the time I joined, was from  
17 sales of XRP.

18 BY MS. WAXMAN:

19 Q. And did the company have any other  
20 revenues at the time that you joined?

21 MR. FORD: Objection to form.

22 THE WITNESS: I don't specifically recall  
23 the financial statements I reviewed in late 2017,  
24 but in general, at that time, I recall that software  
25 revenue was a small portion of revenue.

1 BY MS. WAXMAN:

2 Q. And when you say a small portion of  
3 revenue, what percentage of the software sales --  
4 what percentage of the software sales were -- did  
5 that -- excuse me.

6 What portion of the revenue was attributed  
7 to software sales?

8 MR. FORD: Objection to form.

9 THE WITNESS: Sorry. Don't remember the  
10 exact percentage at the time.

11 BY MS. WAXMAN:

12 Q. How did the -- what about, can you give me  
13 an approximate percentage?

14 MR. FORD: Objection to form.

15 THE WITNESS: In 2017, just to be clear?  
16 Over 75 percent of the revenue came from sales of  
17 XRP.

18 BY MS. WAXMAN:

19 Q. What were Ripple's -- at the time that you  
20 joined and that you first reviewed the financial  
21 statements, what were Ripple's expenses?

22 MR. HECKER: Objection to form.

23 THE WITNESS: I don't recall the exact  
24 amount.

25 / /

1 BY MS. WAXMAN:

2 Q. Did Ripple generate enough revenue from  
3 software sales to cover its expenses?

4 MR. FORD: Objection to form.

5 THE WITNESS: No.

6 BY MS. WAXMAN:

7 Q. And where did the funds to cover Ripple's  
8 expenses come from?

9 MR. FORD: Objection to form.

10 THE WITNESS: Combination of venture  
11 capital fundraising that it had done prior to my  
12 arrival, as well as the revenue from the sale of XRP  
13 and the software revenue.

14 BY MS. WAXMAN:

15 Q. Would the software revenue, by itself,  
16 covered all of Ripple's expenses?

17 MR. HECKER: Objection. Asked and  
18 answered two questions ago.

19 THE WITNESS: In what time period?

20 BY MS. WAXMAN:

21 Q. I'm talking about 2017. When -- the time  
22 that you joined. You joined at the end of 2017.

23 A. At the --

24 MR. HECKER: Same objection.

25 You can answer it again.

1 THE WITNESS: At the early stages of the  
2 development of RippleNet, the software revenue did  
3 not cover the expenses.

4 BY MS. WAXMAN:

5 Q. Okay. What about in 2018; did the  
6 software revenue cover expenses?

7 MR. FORD: Objection to form.

8 THE WITNESS: I don't recall that they  
9 covered the full expenses of the company.

10 BY MS. WAXMAN:

11 Q. And what about in 2019?

12 MR. FORD: Objection to form.

13 THE WITNESS: I don't recall.

14 BY MS. WAXMAN:

15 Q. And what about in 2020?

16 MR. FORD: Same objection.

17 THE WITNESS: Don't recall.

18 BY MS. WAXMAN:

19 Q. Is there any document that would refresh  
20 your memory?

21 A. Financial statements.

22 Q. Which financial statements would you need  
23 to review?

24 MR. HECKER: For each of the years? Is  
25 that what you're saying or for the last one?



1 BY MS. WAXMAN:

2 Q. It's probably the same document for each  
3 year. So is there -- I mean, there are probably  
4 multiple documents that could refresh your memory,  
5 but is -- could you give me one document that would  
6 provide that information to refresh your memory?

7 MR. FORD: Objection to form.

8 MR. HECKER: Sorry. You just asked him  
9 about '17, '18, '19?

10 MS. WAXMAN: Yes.

11 MR. HECKER: You're asking is there one  
12 document that would refresh him for all the years?

13 MS. WAXMAN: I'm asking him is there one  
14 type of document. For example, would the audited  
15 financial statements refresh your memory, is there a  
16 different document that you would have used while at  
17 the company to refresh your memory.

18 THE WITNESS: The audited financial  
19 statements as well as the unaudited financial  
20 statements over that time period would likely  
21 provide that information.

22 BY MS. WAXMAN:

23 Q. Thank you.

24 Did you have any experience with digital  
25 assets before you came to work at Ripple?

1 A. I did not.

2 Q. Did you -- other than XRP, have you ever  
3 owned any digital assets?

4 A. Not that I recall.

5 Q. How were you compensated when you worked  
6 at Ripple?

7 MR. FORD: Objection to form.

8 THE WITNESS: I received a salary, a  
9 bonus, equity in Ripple Labs, and I received a XRP  
10 bonus.

11 BY MS. WAXMAN:

12 Q. And what was your yearly salary at the  
13 time you left the company?

14 A. I don't recall.

15 Q. Could you approximate?

16 MR. FORD: Objection.

17 THE WITNESS: Roughly [REDACTED] something  
18 like that.

19 BY MS. WAXMAN:

20 Q. And you said you received a bonus. Did  
21 you receive a cash bonus?

22 A. Cash bonus.

23 Q. And did you receive a cash bonus in 2020?

24 A. For 2019 performance, you would receive a  
25 bonus typically in the first quarter. I believe I

1 received a cash bonus, yes.

2 Q. And how much was the cash bonus?

3 A. I don't recall a specific amount. Roughly  
4 [REDACTED] percent of salary.

5 Q. You said you received Ripple equity. When  
6 did you receive Ripple equity?

7 MR. FORD: Objection to form.

8 THE WITNESS: As is typical when you join  
9 a start-up, I received equity at the start of my  
10 employment at Ripple Labs.

11 BY MS. WAXMAN:

12 Q. And how many shares of Ripple equity do  
13 you currently own?

14 A. Do I currently own?

15 Q. Yeah.

16 MS. WAXMAN: Strike that.

17 Q. How many did you receive during your  
18 employment?

19 A. Roughly -- I don't recall the exact  
20 amount, but roughly [REDACTED] shares.

21 Q. And have you ever sold any of your Ripple  
22 stock?

23 A. Since leaving Ripple, I've sold a portion  
24 of my Ripple shares.

25 Q. And how many shares have you sold?

1 A. Roughly [REDACTED] shares.

2 Q. And where did you sell them?

3 A. On the secondary market.

4 Q. And did you profit from the sale?

5 A. I profited from the sale.

6 MR. HECKER: Objection to form.

7 But you can answer.

8 BY MS. WAXMAN:

9 Q. And how much did you make from the sale?

10 A. Roughly [REDACTED].

11 Q. And when did you sell them?

12 A. In 2021.

13 Q. What month?

14 MR. FORD: Objection to form.

15 THE WITNESS: Sometime in the last six  
16 months. Several transactions.

17 BY MS. WAXMAN:

18 Q. You said you received XRP during your  
19 employment?

20 MR. FORD: Objection to form.

21 THE WITNESS: I received a potential bonus  
22 in XRP subject to my continued employment on an  
23 annual basis.

24 BY MS. WAXMAN:

25 Q. And when was the -- so did you ever



1 receive any XRP in connection with that agreement?

2 A. I recall receiving XRP in connection with  
3 that agreement in 2018 and in 2019.

4 Q. And how much XRP did you receive in total?

5 A. Pretax, I received an XRP bonus of  
6 [REDACTED] units.

7 Q. And have you ever purchased XRP in any  
8 other -- on an exchange or through a broker?

9 A. Not that I recall.

10 Q. And did you ever receive any other XRP  
11 from Ripple?

12 A. Ripple gave a company wide bonus of XRP  
13 that I recall receiving in 2018 to every employee,  
14 so it's part of that. I don't remember the specific  
15 amount. It was relatively small.

16 Q. And of the [REDACTED] that you received,  
17 did you sell any of it?

18 A. I recall selling it quickly after  
19 receiving it. I considered it part of my  
20 compensation and ...

21 Q. Did you receive it all at once?

22 A. Yes.

23 Q. And did you receive [REDACTED] or did you  
24 receive -- was -- did you receive a less amount?

25 A. It's considered compensation, so there's

1 withholding that the company makes based on the  
2 dollar value that they received. So I received a  
3 portion of it.

4 Q. And how did the company satisfy the tax  
5 obligation in connection with this bonus?

6 MR. FORD: Objection to form.

7 THE WITNESS: Typically, the company would  
8 provide the cash amount to federal IRS as well as to  
9 California Franchise Tax Board.

10 BY MS. WAXMAN:

11 Q. So would they withhold a portion of the  
12 XRP, sell it for cash and then take the cash to  
13 satisfy the tax obligation?

14 MR. HECKER: Objection to form.

15 THE WITNESS: I don't recall specifically  
16 how we handled that on a -- on a bonus or payroll  
17 basis, but we would -- we would provide cash. The  
18 cash would be fungible, so the cash could be from  
19 any source.

20 BY MS. WAXMAN:

21 Q. Okay. And where did you sell the XRP?

22 MR. FORD: Objection to form.

23 THE WITNESS: I recall selling it through

24 GSR.

25 / /

1 BY MS. WAXMAN:

2 Q. And what is GSR?

3 A. GSR is a market maker, a cryptocurrency  
4 market maker.

5 Q. Did it have a relationship to Ripple?

6 A. Yes, it did.

7 Q. And what was GSR's relationship to Ripple?

8 A. We used GSR for programmatic sales of XRP  
9 at Ripple.

10 Q. And when you say "programmatic sales of  
11 XRP at Ripple," what do you mean?

12 A. At Ripple, we sold XRP through GSR and  
13 other firms relying on their algorithms and  
14 relationships with exchanges around the world.

15 Q. So GSR sold the XRP that we were talking  
16 about earlier that appeared as revenue on the  
17 financial statements?

18 MR. FORD: Objection.

19 MR. HECKER: Objection to form.  
20 Foundation.

21 THE WITNESS: They sold a portion of that  
22 XRP.

23 BY MS. WAXMAN:

24 Q. Was there another portion of XRP revenues  
25 on the financial statement that GSR was not involved



1 in?

2 MR. HECKER: Objection form.

3 You can answer.

4 THE WITNESS: We had multiple

5 counterparties that were sold XRP.

6 BY MS. WAXMAN:

7 Q. So not only sales of XRP into the market  
8 through GSR, but there were other sales of XRP that  
9 the company --

10 A. Yes, there were.

11 Q. -- engaged in?

12 MR. FORD: Objection to form.

13 BY MS. WAXMAN:

14 Q. Did the company sell XRP in private  
15 transactions?

16 MR. FORD: Objection to form.

17 THE WITNESS: Ripple typically sold XRP in  
18 two ways. One was programmatic through companies  
19 like GSR, and the other was what we called over the  
20 counter to individual counterparties.

21 BY MS. WAXMAN:

22 Q. Thank you.

23 So going back to your sales of XRP through  
24 GSR, how did it happen that you sold your -- your  
25 XRP through them?



1           A.    I contacted GSR. I recall signing a  
2   standard agreement. I provided my XRP to them.  
3   They sold it over some time period and they provided  
4   cash.

5           Q.    Why did you use a broker to sell your XRP?

6           A.    I had --

7           MR. FORD: Objection to form. Sorry.

8           THE WITNESS: Sorry.

9           I had no experience in selling XRP  
10 personally.

11 BY MS. WAXMAN:

12          Q.    Did anyone recommend that you use GSR to  
13 sell the XRP?

14          A.    Not that I recall.

15          Q.    Were you aware of anyone else at the  
16 company using GSR to sell their individual holdings  
17 of XRP?

18          A.    I recall people mentioning it, but I don't  
19 recall exactly who.

20          Q.    Were you aware that Mr. Garlinghouse was  
21 using GSR to sell XRP?

22          MR. FORD: Objection to form.

23          THE WITNESS: I don't recall if I was  
24 aware of that at the time that that I chose to use  
25 them.

1 BY MS. WAXMAN:

2 Q. How much did you profit from your XRP  
3 sales?

4 MR. HECKER: Objection to form.

5 THE WITNESS: It was compensation. I  
6 considered it a bonus like any other -- like the  
7 cash bonus I also received. I recall between both  
8 bonuses it being less than [REDACTED] dollars, but I  
9 don't recall the specific breakout between 2018 and  
10 2019.

11 BY MS. WAXMAN:

12 Q. Do you own any XRP now?

13 A. No.

14 Q. And as CFO, were you responsible for  
15 approving all of Ripple's financial transactions?

16 MR. FORD: Objection.

17 MR. HECKER: Objection to form.

18 THE WITNESS: I was involved with setting  
19 the budget, the overall budget for the company. If  
20 an individual transaction or item was above a  
21 certain threshold, then I would get involved. I  
22 don't specifically recall the dollar amount of that  
23 threshold, though. But I wouldn't -- I wouldn't be  
24 involved in every transaction.

25 / /

1 BY MS. WAXMAN:

2 Q. Well, let's take a step back. What were  
3 your general responsibilities as CFO of Ripple?

4 A. I was responsible --

5 MR. FORD: Objection to form. Sorry.

6 THE WITNESS: Sorry.

7 -- responsible for the accounting  
8 department, the budgeting and analytics department,  
9 the sales finance department, real estate, physical  
10 security, and for small periods of time, I had the  
11 XRP markets team reporting to me during my three  
12 years. So for a period in 2018 and I believe 2020.

13 BY MS. WAXMAN:

14 Q. And for how many months in 2018 were you  
15 responsible for the XRP markets team?

16 A. Very short period in 2018.

17 Q. Could you approximate how many months?

18 A. I don't recall exactly. Roughly three  
19 months.

20 Q. And in 2020, during what time period were  
21 you overseeing the XRP markets team?

22 A. Roughly from early in 2020. The  
23 individual who is responsible for that team departed  
24 Ripple, so I took it over until I resigned. So that  
25 was -- resigned in August. I left in September.



1 Q. So from early 2020 through August, you --

2 A. Was also responsible, I had about --  
3 between all those teams, roughly 40 people reporting  
4 up to me.

5 Q. And who reported to you that worked in the  
6 accounting department?

7 A. Controller was [REDACTED] Oh, I also  
8 had tax. Sorry. Forgot that one.

9 Q. Okay. And anyone else in the accounting  
10 department that reported directly to you?

11 A. Not that I recall.

12 Q. And what about in the budgeting  
13 department?

14 A. [REDACTED]

15 Q. What was his role?

16 A. He was the head of FP&A and sales finance.

17 Q. So FP&A is not a familiar term to me.

18 A. Financial planning and analysis.

19 Q. Okay.

20 A. So they're responsible for budgeting,  
21 analytics, forecasting.

22 Q. Did he have any responsibilities in  
23 connection with preparing financial statements for  
24 the company?

25 A. Financial statements were typically fully



1 prepared by the accounting department.

2 Q. So the controller would have  
3 responsibilities for that?

4 A. Yes.

5 Q. And you said you had responsibilities  
6 related to sales and finance.

7 Can you --

8 A. Sales finance --

9 MR. HECKER: You need to wait, let  
10 Ms. Waxman finish her question. Sorry.

11 BY MS. WAXMAN:

12 Q. Yeah. Can you explain to me what you mean  
13 by sales finance?

14 A. Sales finance is working with our  
15 enterprise sales team to set territories, quotas and  
16 commissions.

17 Q. What is -- what do you mean by "enterprise  
18 sales team"?

19 A. The RippleNet -- RippleNet sales team sold  
20 directly into banks, and payment providers are  
21 payment solutions. So we had a team of roughly -- I  
22 forget the exact amount of enterprise salespeople  
23 that reported into our head of sales, and we would  
24 provide analytics around what those targets should  
25 be for their sales activities, what compensation

1     should be.

2           Q.     Compensation for what?

3           A.     For the salespeople.

4           Q.     Were they paid commissions?

5           A.     The standard enterprise salesperson at  
6     Ripple received a salary plus commission based on  
7     achievement of enterprise sales goals.

8           Q.     And the enterprise products you are  
9     talking about, those are -- were those connected to  
10    the sales and software revenues we were talking  
11    about earlier?

12           MR. FORD:  Objection to form.

13           THE WITNESS:  Yes.  They were.

14    BY MS. WAXMAN:

15           Q.     As CFO, did you have responsibility  
16    related to XRP-specific transactions?

17           MR. FORD:  Objection to form.

18           THE WITNESS:  It would depend on the  
19    materiality and size of that transaction.

20    BY MS. WAXMAN:

21           Q.     What XRP transactions were you involved  
22    with as CFO?

23           MR. HECKER:  Objection to form.

24           THE WITNESS:  I wasn't personally involved  
25    in any that come to mind.  I directed the efforts of

1 the XRP markets team, which executed the  
2 transactions that Ripple was involved in.

3 BY MS. WAXMAN:

4 Q. Did you have to approve the amount of XRP  
5 that the sales team sold?

6 MR. HECKER: Objection. Form.

7 THE WITNESS: The enterprise sales team  
8 did not sell XRP. They sold enterprise software.  
9 The XRP markets team would rely on a quarterly  
10 budgeting that we set for sales of XRP.

11 BY MS. WAXMAN:

12 Q. And did you -- did -- did you help set  
13 that quarterly budget?

14 A. I worked with the FP&A team as well as the  
15 executives of the company to create a budget each  
16 year that we executed against.

17 Q. And how did you determine the amounts that  
18 Ripple -- how did you budget how much Ripple -- how  
19 much XRP Ripple would sell?

20 MR. HECKER: Objection. Form.  
21 Foundation.

22 MR. FORD: Objection.

23 THE WITNESS: We would look at what  
24 activities we wanted to achieve in a given year,  
25 hiring, corporate development, acquisitions,



1 investments. We would put together an overall  
2 budget of what was realistic. We'd run scenarios on  
3 that, and based on that scenario analysis, we  
4 would -- as a component of that, we would determine  
5 a dollar amount of XRP to be sold.

6 BY MS. WAXMAN:

7 Q. How did you determine what was realistic?

8 MR. FORD: Objection to form.

9 THE WITNESS: We would typically look at  
10 historical evidence as one metric, and then work  
11 with the individual teams within Ripple, the  
12 enterprise sales team, for example, to determine how  
13 many sales of our products at the time were  
14 realistic and what revenue would be generated based  
15 on the volume of those customers. And then we'd  
16 also consider how much XRP would -- would be a  
17 component of that to sell.

18 BY MS. WAXMAN:

19 Q. So I only want to talk about budgeting  
20 with respect to XRP sales, not with respect to  
21 software sales. And I just want to make sure I  
22 understand. How did you budget for XRP sales?

23 MR. HECKER: Objection to form.  
24 Foundation.

25 THE WITNESS: XRP sales were budgeted as



1 part of the entire company budget. We didn't look  
2 at it just on an XRP only -- XRP-sales only basis  
3 with debit in conjunction with the entire picture of  
4 the company which is traditionally how it's done.

5 BY MS. WAXMAN:

6 Q. And how did you forecast how much XRP to  
7 sell during a certain period?

8 MR. HECKER: Objection to form.

9 THE WITNESS: We'd consider a variety of  
10 factors. Expenses of the company, potential growth  
11 of the company during that time period. Potential  
12 acquisitions. As well as the revenue that would be  
13 coming in from the enterprise sales of the company.

14 BY MS. WAXMAN:

15 Q. So would XRP sales be used to fund  
16 expenses and the growth of the company and potential  
17 acquisitions?

18 MR. HECKER: Objection to form.

19 MR. FORD: Objection.

20 THE WITNESS: XRP sales would be a  
21 component of the cash flow that we would use to fund  
22 those -- those items.

23 BY MS. WAXMAN:

24 Q. Were there any other items that you would  
25 take into consideration when formulating the budget

1 and when considering how much XRP Ripple would sell?

2 MR. HECKER: Objection to form.

3 Foundation.

4 THE WITNESS: We'd take into consideration  
5 the enterprise sales of the company as well as  
6 potential fundraising that we might do during that  
7 time period.

8 BY MS. WAXMAN:

9 Q. When did Ripple do fund -- fund raise, do  
10 any fundraising?

11 MR. FORD: Objection to form.

12 THE WITNESS: Ripple completed a  
13 fundraising in -- I believe it closed in late 2019.

14 BY MS. WAXMAN:

15 Q. So during 2018, did Ripple raise any funds  
16 from private investors?

17 A. Not that I recall.

18 Q. Going back to your responsibilities as  
19 CFO, did you have any responsibilities related to  
20 XRP loans?

21 MR. FORD: Objection to form.

22 THE WITNESS: I recall XRP loans being a  
23 component of the activities of the XRP markets team  
24 as well as the tax team.

25 / /

1 BY MS. WAXMAN:

2 Q. Would you have to authorize or give any  
3 approval in connection with loans of XRP?

4 MR. HECKER: Objection to form.

5 THE WITNESS: If they were above a certain  
6 threshold, I -- I recall probably being involved,  
7 yeah.

8 BY MS. WAXMAN:

9 Q. And when you say you recall being  
10 involved, did you have to approve any loan of XRP  
11 above a certain threshold?

12 A. Yeah, I recall being involved with  
13 approving loans. I don't specifically remember  
14 which, but I remember being involved.

15 Q. Mh-hmm. And why would you approve those  
16 loans?

17 MR. HECKER: Objection to form.

18 THE WITNESS: They were financial  
19 transactions. They would obviously appear in our  
20 financial statements. So as part of good corporate  
21 governance, it would be typical to have a CFO  
22 involved in a transaction like that.

23 BY MS. WAXMAN:

24 Q. And how often would Ripple loan XRP?

25 MR. HECKER: Objection to form.



1 THE WITNESS: I don't recall the  
2 specifics.

3 BY MS. WAXMAN:

4 Q. What was the purpose of Ripple loaning  
5 XRP?

6 MR. HECKER: Objection to form.

7 THE WITNESS: There would be situations  
8 where, as I recall, counterparties would partner  
9 with us to facilitate liquidity in specific markets,  
10 and we would consider loaning them XRP as part of  
11 that.

12 BY MS. WAXMAN:

13 Q. And how would Ripple benefit from  
14 providing a loan of XRP?

15 MR. HECKER: Objection to form.  
16 Foundation.

17 THE WITNESS: Typically, it was targeted,  
18 in my recollection -- and this is the situation I  
19 mentioned around increasing liquidity in a specific  
20 market.

21 BY MS. WAXMAN:

22 Q. And when you say "increasing liquidity,"  
23 what do you mean?

24 A. Would increase XRP liquidity in a given  
25 geographic market.



1 Q. Would it increase total volume of XRP?

2 A. It could increase total volume. It could  
3 also just increase the depth of the order book in a  
4 market.

5 Q. Did you have responsibilities related to  
6 other XRP disbursements other than XRP loans?

7 MR. FORD: Objection to form.

8 THE WITNESS: If they were material, I  
9 recall it being typical that I would be involved as  
10 part of the approval process.

11 BY MS. WAXMAN:

12 Q. And when you say "material," what -- what  
13 do you mean? How would you determine whether a  
14 distribution of XRP was material?

15 A. Typically, there is what's called an  
16 authority matrix within a corporation and  
17 transactions above certain sizes require the  
18 approval of certain individuals. I was part of that  
19 authority matrix. I don't remember the specific  
20 table and thresholds that required CFO approval,  
21 though.

22 Q. So if there was a material XRP  
23 transaction, you would have to approve it?

24 MR. FORD: Objection to form.

25 THE WITNESS: Typically, I recall if there

1 was a material transaction, it would -- it would  
2 require the CFO approval if people were following  
3 the normal procedures, yes.

4 BY MS. WAXMAN:

5 Q. And when you would approve that  
6 transaction, would you want to understand how Ripple  
7 benefited from that transaction before you approved  
8 it?

9 MR. HECKER: Objection to form.

10 THE WITNESS: I recall typically, yes.

11 BY MS. WAXMAN:

12 Q. Okay. And so if there was a material XRP  
13 transaction, you would -- you would want the  
14 transaction to benefit Ripple in some way before  
15 approving it?

16 MR. HECKER: Objection to form.

17 You can answer.

18 THE WITNESS: Repeat the question.

19 BY MS. WAXMAN:

20 Q. So if there was a material XRP  
21 transaction, you would want the transaction to  
22 benefit Ripple in some way before you would approve  
23 it?

24 MR. HECKER: Same objection.

25 THE WITNESS: I recall typically I would.

1 BY MS. WAXMAN:

2 Q. Now, did Ripple -- you provide XRP  
3 incentive payments to third parties?

4 MR. FORD: Objection to form.

5 THE WITNESS: I don't recall the specifics  
6 of XRP incentive payments.

7 BY MS. WAXMAN:

8 Q. Do you know what I mean when I say "XRP  
9 incentive payments"?

10 MR. HECKER: Objection to form.

11 THE WITNESS: I -- Ripple -- Ripple  
12 provided it. I recall that Ripple provided XRP  
13 incentives to partners. I assume that's what you're  
14 talking about.

15 BY MS. WAXMAN:

16 Q. And did you approve those XRP -- XRP  
17 payments to partners?

18 MR. HECKER: Objection to form.

19 THE WITNESS: I recall that if they were  
20 above a certain materiality threshold, I would  
21 typically be involved in the approval.

22 BY MS. WAXMAN:

23 Q. Okay. And how did Ripple benefit by --  
24 benefit from providing XRP incentives to certain  
25 parties?



1 MR. HECKER: Objection to form. Vague.

2 THE WITNESS: Depends on the individual  
3 circumstances of that incentive payment.

4 BY MS. WAXMAN:

5 Q. What circumstances did Ripple provide XRP  
6 incentive payments to third parties?

7 MR. HECKER: Objection to form.

8 THE WITNESS: I left the company over a  
9 year ago. I don't recall the specifics of any  
10 individual transaction.

11 BY MS. WAXMAN:

12 Q. Did Ripple provide XRP incentive payments  
13 to digital asset training platforms while you were  
14 at the company?

15 MR. FORD: Objection to form.

16 THE WITNESS: Define "digital asset  
17 trading platforms." I'm not clear on that.

18 BY MS. WAXMAN:

19 Q. I understand that term to be Coinbase  
20 that's in San Francisco, any platform where a  
21 user -- online platform where a user can buy, sell  
22 or trade a digital asset, including Bitcoin, Ether,  
23 XRP.

24 A. I don't recall any specific incentive  
25 programs around those platforms.



1 Q. Do you recall generally Ripple providing  
2 XRP incentive payments to third parties while you  
3 were at XRP -- while you were at Ripple?

4 MR. HECKER: Objection to form.

5 MR. FORD: Objection to form.

6 THE WITNESS: I recall incentive payments  
7 being paid during my time at Ripple.

8 BY MS. WAXMAN:

9 Q. And who did Ripple provide XRP incentive  
10 payments to?

11 MR. FORD: Objection to form.

12 THE WITNESS: Other than to our partners,  
13 I don't remember the specifics of any individual  
14 transaction.

15 BY MS. WAXMAN:

16 Q. And when you say "our partners," who are  
17 you referring to?

18 A. In -- in the general sense of people that  
19 Ripple -- you know, entities that Ripple had a  
20 business relationship with.

21 Q. Did Ripple provide XRP incentives to  
22 customers who use RippleNet?

23 MR. FORD: Objection to form.

24 THE WITNESS: I recall that we did provide  
25 incentives to customers of RippleNet.

1 BY MS. WAXMAN:

2 Q. And did you approve those XRP incentive  
3 payments to customers of RippleNet?

4 MR. FORD: Objection to form.

5 THE WITNESS: I would typically be  
6 involved in the approval of incentive programs, not  
7 the specific transactions themselves.

8 BY MS. WAXMAN:

9 Q. Okay. And why would you approve those  
10 programs?

11 MR. HECKER: Objection to form. Vague.

12 THE WITNESS: As CFO, you were typically  
13 involved with the disbursement of funds. And so as  
14 part of that, as part of governance you would be  
15 involved with the approval process of certain  
16 programs.

17 BY MS. WAXMAN:

18 Q. Now, before you approved the transaction,  
19 would you want to know how Ripple would benefit from  
20 the transaction?

21 MR. HECKER: Objection to form.

22 THE WITNESS: As a general matter, if it  
23 required my approval, I would review the rationale  
24 behind the transaction.

25 / /

1 BY MS. WAXMAN:

2 Q. And what was --

3 MR. HECKER: Ms. Waxman, when you come to  
4 a point, can we take just a short break?

5 MS. WAXMAN: Yes.

6 Q. What was the rationale for providing XRP  
7 incentive payments to RippleNet customers?

8 MR. FORD: Objection to form.

9 THE WITNESS: In my recollection, the  
10 rationale for providing incentives around RippleNet  
11 were to increase volume on RippleNet as well as to  
12 increase the number of participants on RippleNet.

13 BY MS. WAXMAN:

14 Q. Did RippleNet involve the use of XRP?

15 MR. HECKER: Objection to form.

16 THE WITNESS: RippleNet, over time, also  
17 included products. In my recollection, that did  
18 incorporate XRP.

19 BY MS. WAXMAN:

20 Q. But the company provided XRP incentive  
21 payments to customers of RippleNet who did not use  
22 XRP, correct?

23 MR. HECKER: Objection to form.

24 THE WITNESS: In my recollection, XRP  
25 incentives were uncommon on components of RippleNet.



1 Banks, for example, would not, in the early days,  
2 use cryptocurrency as an incentive, for example.

3 MR. HECKER: Is now a good time,  
4 Ms. Waxman? I -- I would like a bathroom break.

5 MS. WAXMAN: Sure. We're off the record.

6 THE VIDEOGRAPHER: Going off the record.  
7 The time is 10:13 a.m. This marks the end of Media  
8 Number 1.

9 (Whereupon, a recess was taken.)

10 THE VIDEOGRAPHER: All right. We're back  
11 on the record. The time is 10:29 a.m.

12 BY MS. WAXMAN:

13 Q. Mr. Will, before we went off the record,  
14 you had -- I understood you to say that you had  
15 responsibilities related to XRP transactions?

16 A. I had responsibility for the XRP markets  
17 team which executed many XRP transactions.

18 Q. And did you also have to approve certain  
19 XRP transactions that were material?

20 A. It would be typical that if a transaction,  
21 whether dollars or XRP, was above a certain  
22 materiality threshold, I would be involved.

23 Q. And when -- what was your involvement?

24 A. Depending on the size, I recall being  
25 involved in either an explicit approval or just a



1 general review.

2 Q. Okay. Did you ever approve or have any  
3 involvement in the use of XRP for employee  
4 compensation?

5 MR. HECKER: Objection to form.

6 THE WITNESS: I was involved in the  
7 general program to provide XRP to employees.

8 BY MS. WAXMAN:

9 Q. When you say you were involved, can you be  
10 a little more specific about your involvement?

11 A. The accounting team, which reported to me,  
12 was -- had responsibility for payroll. And as part  
13 of our payroll, we would allow employees the  
14 opportunity to, instead of receiving dollars, to  
15 receive XRP. And they would handle those  
16 transactions.

17 Q. And what factors, if any, did you consider  
18 in deciding whether to approve those transactions?

19 MR. HECKER: Objection to form.

20 THE WITNESS: I did not approve individual  
21 transactions. That program had been in place when I  
22 arrived at Ripple, I recall. I made sure that the  
23 program was operating in a satisfactory manner for  
24 employees, so I took employee feedback about the  
25 program. But it was on a day-to-day basis, executed

1 by the accounting team.

2 BY MS. WAXMAN:

3 Q. And I know you -- the program predated  
4 you, but did you have an understanding as to what  
5 benefit there was to Ripple from the program?

6 MR. FORD: Objection to form.

7 THE WITNESS: I recall employees were  
8 extremely interested in participating generally in  
9 cryptocurrencies. And as a component of that,  
10 employees like to receive -- some employees -- like  
11 to receive a portion of their payroll in XRP.

12 BY MS. WAXMAN:

13 Q. Other than making employees happy, did --  
14 do you have an understanding of whether there was a  
15 specific benefit to Ripple?

16 MR. HECKER: Objection to form.

17 THE WITNESS: It was -- we -- in the  
18 payroll department and the accounting department, we  
19 viewed it equal to giving an employee cash. It was  
20 priced the same way. The employee received no  
21 specific economic benefit to receiving XRP. It was,  
22 as I recall, a response to an employee request.

23 BY MS. WAXMAN:

24 Q. Did XRP-related compensation provide  
25 employees an opportunity to participate in any

1 upside from the price of XRP?

2 MR. HECKER: Objection to form.

3 THE WITNESS: XRP that was provided  
4 through payroll, I don't know what -- what employees  
5 did with it once they received it. So I don't -- I  
6 can't speak to how the employees perceived it post  
7 distribution.

8 BY MS. WAXMAN:

9 Q. So are you saying you're not sure whether  
10 the employee immediately sold at the time, or the  
11 employee held it for -- for investment?

12 MR. FORD: Objection to form.

13 THE WITNESS: Yes. We did not -- at least  
14 in my recollection, we did not track the general  
15 distributions and what happened to them afterwards.

16 BY MS. WAXMAN:

17 Q. But did the -- if the XRP -- strike that.

18 Did you ever come to learn that certain  
19 employees wanted to share in the potential upside of  
20 XRP --

21 MR. HECKER: Objection --

22 BY MS. WAXMAN:

23 Q. -- by getting it as part of their  
24 compensation?

25 MR. HECKER: Objection to form.



1           THE WITNESS: As an early company in  
2     cryptocurrency, we had many employees who were  
3     extremely enthusiastic about XRP as well as Bitcoin,  
4     Ethereum and other alternative coins. So I  
5     couldn't -- I couldn't really speak to their  
6     individual desires, though.

7     BY MS. WAXMAN:

8           Q. Did you have any involvement or did you  
9     have to approve any -- the use of XRP for executive  
10    compensation?

11           MR. HECKER: Objection to form.

12           THE WITNESS: Decisions about compensation  
13    would typically originate from the human resources  
14    department. I would be involved as far as the  
15    overall dollar amount of those transactions so that  
16    they were included in our budget.

17     BY MS. WAXMAN:

18           Q. Did you have any involvement in deciding  
19    how much XRP to distribute to executives as part of  
20    their compensation?

21           MR. FORD: Objection to form.

22           THE WITNESS: I recall being involved  
23    in -- being part of those discussions, but I wasn't  
24    an -- a decider of any specific amounts.

25    / /



1 BY MS. WAXMAN:

2 Q. And who did you discuss that with?

3 A. Typically, any matters related to employee  
4 compensation would involve -- for executives would  
5 involve the -- the head of HR at the time. It could  
6 have involved a compensation expert that we had in  
7 house as well as, for executives, the CEO. If it  
8 was specific to the CEO, it would involve the board.

9 Q. And what factors, if any, did Ripple  
10 consider in deciding whether to provide XRP as  
11 compensation to its executives?

12 MR. FORD: Objection to form.

13 THE WITNESS: It was considered in terms  
14 of overall dollar amount of compensation. In other  
15 words, you know, if an employee was -- the market  
16 rate for an employee, an executive, was a certain  
17 amount, it was considered in the context of that  
18 overall amount and whether or not that might be a  
19 component of their overall compensation.

20 BY MS. WAXMAN:

21 Q. And did you have an understanding of  
22 whether there was a benefit to Ripple to providing  
23 XRP as part of an executive's compensation package?

24 MR. HECKER: Objection to form.

25 THE WITNESS: We viewed -- from a finance

1 perspective and as -- as CFO, I viewed it as the  
2 same as dollars.

3 BY MS. WAXMAN:

4 Q. Did the company have any cost basis in  
5 connection -- incur any costs in connection with the  
6 use of XRP for executive compensation?

7 MR. HECKER: Objection to the form of the  
8 question.

9 MR. FORD: Objection.

10 THE WITNESS: The company would be  
11 responsible for withholdings at market value for the  
12 taxes related to any compensation, whether it's XRP  
13 or dollars. We would also be responsible, as I  
14 recall, for the employer portion of taxes for any  
15 compensation that was involved. So roughly 7 to  
16 10 percent of the amount the employer also is  
17 responsible for.

18 BY MS. WAXMAN:

19 Q. Was that a reason not to distribute XRP to  
20 executives for compensation?

21 MR. HECKER: Objection to form.

22 THE WITNESS: It was a consideration.

23 BY MS. WAXMAN:

24 Q. Did XRP -- did the -- did the XRP to  
25 executives allow the executives to participate in --

1 in the upside for -- the upside for XRP?

2 MR. FORD: Objection to form.

3 MR. HECKER: Objection to form.

4 THE WITNESS: It allowed them to -- as --  
5 as a recipient, to take the risk of the price in  
6 XRP, both upside and downside. We typically set the  
7 amounts, like similar to my compensation, in either  
8 a dollar amount up front or in a number of units.  
9 Depending on which way it was structured, they --  
10 they could potentially get upside benefit or  
11 downside risk.

12 BY MS. WAXMAN:

13 Q. Did you have any involvement or did you  
14 have to approve the use of XRP for charitable  
15 donations?

16 MR. FORD: Objection to form.

17 THE WITNESS: I don't recall being an  
18 approver for charitable donations. I recall being  
19 in the -- in the flow, depending on the materiality.  
20 In other words, I would be aware of those donations  
21 and my team would help execute those transactions,  
22 either the XRP markets team as well as the  
23 accounting team.

24 BY MS. WAXMAN:

25 Q. Did you approve any of those XRP



1 transactions?

2 MR. FORD: Objection to form.

3 THE WITNESS: The XRP transactions related  
4 to charitable contributions. I don't -- I don't  
5 recall.

6 BY MS. WAXMAN:

7 Q. And who would have to approve those  
8 transactions?

9 A. Depending on the materiality, typically,  
10 you know, Brad Garlinghouse as CEO was involved in  
11 the approval, depending on the materiality.

12 Q. And did you have discussions with Brad  
13 about using XRP for charitable donations?

14 A. I don't recall specific discussions about  
15 charitable donations.

16 Q. Did you have a general understanding of  
17 what factors Ripple considered in determining  
18 whether to use XRP in connection with charitable  
19 donations?

20 MR. FORD: And here again, just if any of  
21 these discussions were with counsel, I caution you  
22 not to -- either not to answer if all of the  
23 discussions were with counsel or not to get into  
24 those discussions.

25 THE WITNESS: I don't recall any specific



1 conversations around rationale behind charitable  
2 contributions at Ripple.

3 BY MS. WAXMAN:

4 Q. Did you have any involvement with the use  
5 of XRP for investments?

6 A. Depending on the materiality, I would be  
7 involved in investment discussions, whether we used  
8 dollars or XRP.

9 Q. And would you approve any -- approve the  
10 use of XRP for investments?

11 MR. FORD: Objection to form.

12 THE WITNESS: Depending on the  
13 materiality, I recall being involved in part of the  
14 approval process.

15 BY MS. WAXMAN:

16 Q. And what factors, if any, did you consider  
17 in deciding whether to approve the use of XRP for  
18 investments?

19 MR. FORD: Objection to form.

20 THE WITNESS: Typically, whether we used  
21 dollars or XRP, we viewed them similar. We would  
22 view the business rationale as the primary driver of  
23 a transaction, regardless of how we paid for that  
24 transaction.

25 / /

1 BY MS. WAXMAN:

2 Q. In general, what was your -- did you have  
3 an understanding of the benefit of Ripple using XRP  
4 in connection with investments?

5 MR. HECKER: Objection to form. Vague.

6 THE WITNESS: In general, we viewed  
7 dollars and XRP in a similar way from a finance  
8 perspective. By "we," I mean, the finance  
9 department and myself.

10 BY MS. WAXMAN:

11 Q. As CFO, did you have any responsibilities  
12 related to the release or return of XRP to and from  
13 Ripple's escrow account?

14 MR. HECKER: Objection to form.

15 MR. FORD: Objection.

16 THE WITNESS: I joined Ripple after the  
17 escrow had been created or -- it actually was  
18 created about a month after I joined. But the  
19 announcement about it I became aware of when I  
20 joined. I wouldn't be involved in any of the  
21 mechanics. That is all handled on the -- on the  
22 ledger, I believe.

23 BY MS. WAXMAN:

24 Q. I understand you didn't have any  
25 involvement in the mechanics or the technical

1 aspects of the ledger, but were you -- did you have  
2 any involvement related to how much XRP to release  
3 and/or return from the escrow --

4 MR. FORD: Objection to form.

5 BY MS. WAXMAN:

6 Q. -- on a periodic basis?

7 MR. FORD: Objection to form.

8 THE WITNESS: As I recall, with regards to  
9 the escrow, the amount released is determined by the  
10 structure of the escrow. So it was effectively  
11 preprogrammed that a billion XRP would release.

12 We -- I would be part of a discussion on a monthly  
13 basis about how much we would put back into escrow.

14 BY MS. WAXMAN:

15 Q. Okay. And who would participate in that  
16 discussion?

17 A. As I recall, it would be Brad  
18 Garlinghouse, myself, and members of the accounting  
19 team.

20 Q. As CFO, were you responsible for preparing  
21 or approving financial statements?

22 A. I was involved not in the preparation, but  
23 I would be involved in the -- the only financial  
24 statements that are approved are the audited  
25 financial statements, and I signed the management



1 rep letter typically for -- I don't specifically  
2 recall the -- the details around that, but -- but I  
3 remember signing the management rep letter related  
4 to the audit of Ripple.

5 Q. And were you also responsible for  
6 preparing an annual budget for the company?

7 A. I was involved with the preparation.

8 Q. Did you review the final budget?

9 MR. FORD: Objection to form.

10 THE WITNESS: Yes. I reviewed the final  
11 budget.

12 BY MS. WAXMAN:

13 Q. And with respect to the financial  
14 statements, were those circulated to executives at  
15 the company?

16 MR. FORD: Objection to form.

17 THE WITNESS: I don't recall the specific  
18 distribution. We -- we may have provided it to the  
19 executives.

20 BY MS. WAXMAN:

21 Q. Would Mr. Garlinghouse have reviewed the  
22 audited financial statements?

23 MR. HECKER: Objection to form.

24 Foundation.

25 THE WITNESS: I don't specifically recall.



1 BY MS. WAXMAN:

2 Q. Generally, do -- did you circulate the  
3 financial statements to Mr. Garlinghouse?

4 MR. FORD: Objection to form.

5 THE WITNESS: I recall we provided the  
6 financial statements to the board on a regular  
7 basis, and Brad, as a member of the board. We would  
8 also provide him financial analysis on a -- on a  
9 fairly regular basis.

10 BY MS. WAXMAN:

11 Q. What responsibilities did you have related  
12 to Ripple's board of directors?

13 A. Would help prepare the presentation and  
14 agenda, and I would be involved in the presentation  
15 of the financial results of the company as well as  
16 any other finances-related special projects.

17 Q. Did you regularly -- regularly attend  
18 meetings?

19 MR. FORD: Objection to form.

20 THE WITNESS: I recall over the time  
21 period I was CFO of Ripple, I attended the -- the  
22 meetings.

23 BY MS. WAXMAN:

24 Q. Did you attend entire meetings, or would  
25 you only attend during the period where you would

1 present about financial matters?

2 A. There was a portion of every board  
3 meeting, as I recall, where the executives -- the  
4 nonboard members would leave the room. Otherwise, I  
5 attended the majority of the board meeting.

6 Q. And did you regularly communicate with  
7 board members outside of board meetings?

8 MR. FORD: Objection to form.

9 THE WITNESS: I wouldn't say, as I recall,  
10 regularly that I would communicate with board  
11 members, outside of board meetings.

12 BY MS. WAXMAN:

13 Q. Did you communicate with board members  
14 outside of meetings?

15 MR. FORD: Objection to form.

16 THE WITNESS: I'd say infrequently, I  
17 would communicate with board members.

18 BY MS. WAXMAN:

19 Q. Are there any board members in particular  
20 that you would communicate with?

21 A. I recall having contact with Zoe Cruz.

22 Q. Anyone else?

23 A. Brad obviously is a board member. I had  
24 contact with Brad. Chris Larsen as well is a board  
25 member. I had contact with Chris. I don't believe

1 I had much contact with the rest of the board  
2 outside of board meetings and reporting  
3 responsibilities there.

4 Q. And what was the purpose of your  
5 communications with Ms. Cruz, outside of board  
6 meetings?

7 MR. HECKER: Objection to form.

8 THE WITNESS: When Zoe Cruz arrived at --  
9 on the board at Ripple, she asked to be brought up  
10 to speed on the business and financials of Ripple.  
11 So I spent time with her viewing the financial and  
12 operating metrics of the company and -- and prior --  
13 prior board meeting presentations so that she had  
14 context around the -- the company.

15 BY MS. WAXMAN:

16 Q. Other than -- was Ms. Cruz a board member?

17 A. At the time, she was.

18 Q. Other than being a board member, did she  
19 ever hold any other role at Ripple?

20 A. I recall that she was -- I don't know if  
21 it was a specific title but a special advisor to  
22 Brad Garlinghouse as CEO.

23 Q. And during what period was she a special  
24 advisor to Brad?

25 A. I don't specifically recall when she left



1 the board and became the special advisor. Roughly  
2 beginning of 2020, I believe.

3 Q. And was she brought on to advise on a  
4 certain issue or topic?

5 MR. FORD: Objection to form.

6 THE WITNESS: I don't recall the specifics  
7 around why she took that role.

8 BY MS. WAXMAN:

9 Q. Did you have any conversations with her in  
10 connection with that specific role?

11 MR. HECKER: Objection to form.

12 THE WITNESS: I don't recall any -- about  
13 why she made the change to that role?

14 BY MS. WAXMAN:

15 Q. No. The question is, did you have any  
16 conversations with Ms. Cruz about -- in connection  
17 with her advisement to Mr. Garlinghouse?

18 MR. HECKER: Objection to form.

19 THE WITNESS: Zoe would attend meetings, I  
20 recall, that I was involved in related to Ripple.

21 BY MS. WAXMAN:

22 Q. Had anyone else from the board become an  
23 advisor to Mr. Garlinghouse?

24 MR. FORD: Objection to form.

25 THE WITNESS: Not that I'm aware of.



1 Other board members did provide, outside of their --  
2 their board meeting responsibilities, did provide  
3 guidance to the company at various points in time in  
4 areas of their expertise.

5 BY MS. WAXMAN:

6 Q. And I apologize if I asked this already.  
7 What was the nature of the -- what was the specific  
8 issue that Ms. Cruz was brought in to advise about?

9 MR. FORD: Objection.

10 MR. HECKER: Objection to form.  
11 Foundation.

12 THE WITNESS: I don't specifically recall  
13 the nature. [REDACTED] obviously, given her  
14 background, is -- and I believe she was the  
15 copresident of [REDACTED] has a tremendous  
16 amount of capital markets expertise. So we valued  
17 her experience.

18 BY MS. WAXMAN:

19 Q. You said you interacted with Mr. Larsen  
20 outside of board meetings, correct?

21 A. Infrequently.

22 Q. When would you -- when you say  
23 "infrequently," what does that mean? How often?

24 A. My recollection, Chris came into the  
25 office maybe once a month, and I would see him in

1 the hallway. So it was pleasantries in the hallway,  
2 is the extent of my recollection of our  
3 conversations.

4 Q. Did -- other than board meetings, did  
5 Mr. Larsen regularly attend any meetings that you  
6 were present at?

7 A. I recall Mr. Larsen attending meetings?

8 Q. Other than board meetings?

9 A. Other than board meetings.

10 Q. And were these meetings that you were  
11 present at?

12 A. Yes.

13 Q. Okay. What meetings did Mr. Larsen attend  
14 other than board meetings?

15 MR. FORD: Objection to form.

16 THE WITNESS: We had an XRP markets  
17 meeting that Mr. Larsen would dial into.

18 BY MS. WAXMAN:

19 Q. Is that a weekly meeting that the XRP  
20 markets team would discuss XRP sales at?

21 MR. HECKER: Objection to form.

22 THE WITNESS: It was a weekly meeting that  
23 the XRP markets team would put together materials  
24 about the cryptocurrency market of which XRP is a  
25 part of.

1 BY MS. WAXMAN:

2 Q. And what was Mr. Larsen's role at that  
3 meeting?

4 A. He was an attendee.

5 Q. Did he participate in the discussions?

6 A. I don't recall any specific input that  
7 Chris provided at those meetings.

8 Q. Did he have financial decision-making  
9 authority over XRP sales by Ripple?

10 MR. FORD: Objection to form.

11 THE WITNESS: I don't recall him having  
12 financing approval. Typically, we communicated in  
13 that meeting generally. The board approved our  
14 overall budget, board of Ripple. Chris is a part of  
15 that board.

16 BY MS. WAXMAN:

17 Q. With respect to the XRP sales meetings,  
18 did he provide his opinions on topics that were  
19 being discussed during -- at the meeting?

20 MR. FORD: Objection to form.

21 THE WITNESS: I don't recall any input,  
22 specific input of Chris Larsen in those meetings.

23 BY MS. WAXMAN:

24 Q. Were there -- other than the XRP sales  
25 meeting that you just spoke about, were there other



1 meetings that Mr. Larsen attended that you were  
2 present at?

3 A. Not that I recall.

4 Q. Were there other meetings that he attended  
5 that you did not participate in?

6 MR. FORD: Objection to form.

7 BY MS. WAXMAN:

8 Q. That you knew about, even though you  
9 didn't participate.

10 A. Not that I'm aware of.

11 Q. What was your understanding of  
12 Mr. Larsen's role during your tenure at the company?

13 A. Chris was the founder, cofounder,  
14 visionary. He would speak to the employees about  
15 the general vision of -- of Ripple, why it was  
16 created. He was the chairman of the board. And he  
17 was a large shareholder.

18 Q. Did you ever discuss any financial  
19 transactions with Mr. Larsen?

20 MR. FORD: Objection to form.

21 THE WITNESS: Only as part of his specific  
22 board responsibilities: So in other words, also  
23 with the entire board present, as well as counsel.

24 BY MS. WAXMAN:

25 Q. Did you have any meetings with Mr. Larsen

1 one on one?

2 A. I don't recall any.

3 Q. Did you have any responsibilities related  
4 to Ripple equity shareholders?

5 MR. FORD: Objection to form.

6 MR. HECKER: Objection to form.

7 THE WITNESS: Yes.

8 BY MS. WAXMAN:

9 Q. And what were your responsibilities  
10 related to Ripple equity shareholders?

11 A. I was part of a team that would administer  
12 the capitalization table, so make sure ownership,  
13 both direct ownership as well as any ownership  
14 changes were reflected accurately. I would be  
15 involved in investor relations capacity with  
16 shareholders when they reached out to us or if we  
17 decided to proactively communicate with  
18 shareholders. Sometimes they needed, for their  
19 accounting statements, a specific item. I would  
20 provide that item.

21 Q. Did -- so is it fair to say that you did  
22 communicate with Ripple's shareholders?

23 MR. FORD: Objection to form.

24 THE WITNESS: I did -- sorry. I did  
25 communicate with Ripple shareholders.

1 BY MS. WAXMAN:

2 Q. Did any Ripple shareholders ever request  
3 to see Ripple's financials, financial statements?

4 A. I don't recall specifically, but I -- I do  
5 recall generally that -- that shareholders did  
6 request. Certain shareholders had information  
7 rights so they -- they could contractually request  
8 under those rights to receive the information.

9 Q. If the shareholder didn't have information  
10 rights and they requested to see Ripple's financial  
11 statements, would that be something you would share?

12 MR. FORD: Objection.

13 MR. HECKER: Objection to form. Calls for  
14 speculation.

15 THE WITNESS: It would be discussed. I  
16 don't recall specifically how we handled every  
17 individual matter, but it was -- we would -- we  
18 would definitely consider it.

19 BY MS. WAXMAN:

20 Q. Did you regularly share financial  
21 information with shareholders that did not have  
22 information rights?

23 MR. FORD: Objection to form.

24 THE WITNESS: I don't recall.

25 / /



1 BY MS. WAXMAN:

2 Q. Would there be a reason not to share the  
3 financial statements with -- with Ripple equity  
4 investors?

5 MR. FORD: Objection to form.

6 THE WITNESS: I don't recall specifically  
7 to Ripple. It is frequent, in my experience as CFO  
8 of a start-up, that many investors have conflicts of  
9 interest. They make investments across the entire  
10 space, so there could be competitive information  
11 that could -- could limit your desire to provide  
12 them information that you wouldn't want leaked to a  
13 competitor.

14 Q. Was there any information in Ripple's  
15 financial statements that Ripple did not want to  
16 disclose to its shareholders?

17 MR. FORD: Objection to form.

18 THE WITNESS: Not in my mind.

19 BY MS. WAXMAN:

20 Q. Was there anything about the financial  
21 statements that would have caused any Ripple equity  
22 shareholders concern?

23 MR. FORD: Objection to form.

24 MR. HECKER: Objection.

25 THE WITNESS: I can't speak to what would

1       cause them any concerns.

2       BY MS. WAXMAN:

3           Q.    Did you have a role in any private  
4       fundraising that Ripple did?

5           A.    I was involved in the Series C fundraising  
6       at Ripple.

7           Q.    And did you have any responsibilities  
8       related to any strategic partnerships or investments  
9       that Ripple did?

10          MR. FORD:  Objection to form.

11          THE WITNESS:  I was involved, as I recall,  
12       in strategic partnerships.

13       BY MS. WAXMAN:

14          Q.    Which strategic partnerships were you  
15       involved in while you were at Ripple?

16          A.    I specifically remember being involved  
17       with MoneyGram.

18          Q.    And what was your involvement in the  
19       MoneyGram strategic partnership?

20          A.    My team provided financial analysis, and I  
21       was involved in the due diligence of MoneyGram.

22          Q.    And what was the partnership between  
23       Ripple and MoneyGram?

24          MR. FORD:  Objection to form.

25          THE WITNESS:  I don't recall the specifics

1 of the transaction. MoneyGram is a top two global  
2 money transfer business. We had talked about  
3 partnering with MoneyGram really since my arrival at  
4 Ripple in late 2017, early 2018. As a company  
5 focused on cross-boarder transactions, they are a  
6 marquee partner to -- to -- to get.

7 BY MS. WAXMAN:

8 Q. Did Ripple's board of directors have to  
9 approve the partnership or any -- any deals with  
10 Ripple -- with MoneyGram?

11 MR. FORD: Objection to form. And, again,  
12 to the extent your knowledge on what Ripple's board  
13 of directors had to do is based on discussions with  
14 counsel, I direct you not to answer.

15 BY MS. WAXMAN:

16 Q. And I'm not talking about legal advice.  
17 I'm talking about a financial transaction and  
18 whether or not you had to provide a recommendation  
19 to the board to enter into the -- the transaction.

20 MR. FORD: Same objection and same  
21 instruction.

22 BY MS. WAXMAN:

23 Q. You have -- so the question is, did  
24 Ripple's board of directors have to approve any  
25 partnership or any deals with -- with MoneyGram?



1 MR. FORD: Same objection and same  
2 instruction.

3 BY MS. WAXMAN:

4 Q. You can answer the question.

5 A. I would have relied on -- if -- if I can  
6 rephrase the question, did Ripple's board have a  
7 requirement to approve the transaction, I would rely  
8 on counsel for that requirement.

9 Q. I'll -- I'll ask another question.

10 Did you -- what did Ripple enter into --  
11 did Ripple invest in MoneyGram?

12 A. I recall Ripple investing in MoneyGram.

13 Q. And how much was the investment?

14 A. I don't recall a specific dollar amount.

15 Q. Was it around \$50 million? Objection to  
16 form?

17 A. I only remember the -- the percentage, and  
18 it was roughly 10 percent.

19 Q. 10 percent of?

20 A. Of the ownership of MoneyGram, is my  
21 recollection.

22 Q. Okay. And so Ripple -- in exchange for an  
23 investment, Ripple received 10 percent of MoneyGram?

24 MR. FORD: Objection to form.

25 THE WITNESS: As I recall, it received the

1 opportunity to invest higher than 10 percent, but  
2 it -- it received roughly a 10 percent ownership  
3 stake or 9-point something ownership stake in  
4 MoneyGram as a result of the transaction. That's my  
5 recollection.

6 BY MS. WAXMAN:

7 Q. And did you believe that this was a  
8 worthwhile investment for Ripple to make?

9 MR. HECKER: Objection to form.

10 MR. FORD: Objection.

11 THE WITNESS: I thought it was -- I  
12 thought it was a worthwhile investment.

13 BY MS. WAXMAN:

14 Q. And did you have any understanding what  
15 the benefit was to Ripple in connection with the  
16 investment?

17 MR. HECKER: Objection to form.

18 THE WITNESS: Yes.

19 BY MS. WAXMAN:

20 Q. And what benefit did you understand?

21 A. MoneyGram is a marquee top two global  
22 money transfer business. For a fintech company or  
23 cryptocurrency company like Ripple, it was market  
24 validation of our solution by a clearly  
25 knowledgeable participant in money transfer.

1 Q. Did it provide any financial benefit to  
2 Ripple?

3 MR. HECKER: Objection to form.

4 THE WITNESS: It provided a critical  
5 initial -- early partner for Ripple. So I would say  
6 over a long period of time, they would provide  
7 financial benefit.

8 BY MS. WAXMAN:

9 Q. And how would they provide a financial  
10 benefit?

11 MR. FORD: Objection to form.

12 THE WITNESS: As a network, people choose  
13 to decide, people being entities, banks, payment  
14 providers, choose to decide a payment network based  
15 on the -- the current participants as well as the  
16 projected participants. Having MoneyGram as a  
17 marquee tenant, if you will, of RippleNet was a  
18 major accomplishment for Ripple.

19 BY MS. WAXMAN:

20 Q. I'm still not clear. I want to go back.

21 So you said -- your testimony is you don't  
22 recall the exact amount that Ripple invested in  
23 MoneyGram?

24 A. That's right.

25 Q. Does 50 million -- around 50 million sound



1 right to you?

2 MR. FORD: Objection to form. Asked and  
3 answered.

4 THE WITNESS: Yeah. I don't -- I don't  
5 recall specifics. It could have been.

6 BY MS. WAXMAN:

7 Q. Would you recall a \$50 million investment  
8 for Ripple?

9 MR. HECKER: Objection to form. If you  
10 want to show him something to try to refresh his  
11 memory, that would be one way of doing it. But he's  
12 asked your -- answered your question.

13 THE WITNESS: Yeah, I don't recall the  
14 specifics.

15 BY MS. WAXMAN:

16 Q. Okay. So I don't -- and what did Ripple  
17 get in exchange for the investment that it made?

18 MR. HECKER: Objection to form.

19 BY MS. WAXMAN:

20 Q. Other than a 10 percent share in -- in  
21 MoneyGram?

22 MR. HECKER: Same -- same objection.

23 THE WITNESS: In my experience in Silicon  
24 Valley, it received a valuable asset by obtaining  
25 MoneyGram as a customer.

1 BY MS. WAXMAN:

2 Q. And how did Ripple obtain MoneyGram as a  
3 customer?

4 MR. HECKER: Objection to form.

5 THE WITNESS: Through the equity  
6 investment as well as the commercial partnership.

7 BY MS. WAXMAN:

8 Q. And what was the commercial partnership?

9 A. I don't remember the specifics of the  
10 commercial partnership.

11 Q. And was there any connection between the  
12 equity investment and the commercial partnership?

13 MR. HECKER: Objection to form.

14 THE WITNESS: What -- what was the  
15 question?

16 BY MS. WAXMAN:

17 Q. Was there any relationship or connection  
18 between Ripple's equity investment in MoneyGram and  
19 the commercial partnership?

20 MR. HECKER: Same objection.

21 THE WITNESS: I don't recall the specifics  
22 of the transaction between the -- and the  
23 relationship between the equity investment and the  
24 commercial partnership.

25 / /

1 BY MS. WAXMAN:

2 Q. And as part of the commercial partnership,  
3 was it your understanding that the commercial  
4 partnership would provide a financial benefit to  
5 Ripple?

6 MR. HECKER: Objection to form.

7 MR. FORD: Objection to form.

8 MR. HECKER: Asked and answered.

9 THE WITNESS: Yes.

10 BY MS. WAXMAN:

11 Q. And -- and what financial benefit would  
12 Ripple get from the commercial partnership?

13 MR. HECKER: Objection to form. Asked and  
14 answered.

15 THE WITNESS: Ripple would receive a  
16 marquee customer on RippleNet.

17 BY MS. WAXMAN:

18 Q. I understand that. But was there a  
19 financial benefit that you could see on the  
20 financial statements from the commercial  
21 partnership?

22 MR. HECKER: Objection to form.

23 THE WITNESS: It is not uncommon for an  
24 early stage company to not be able to see the  
25 benefit of an investment like the one Ripple made in



1 MoneyGram in the financial statements in a  
2 short-term period.

3 BY MS. WAXMAN:

4 Q. And what about the commercial agreement?  
5 Were there any benefits that could be shown on the  
6 fund -- did -- did Ripple receive anything in  
7 connection with the commercial agreement that they  
8 entered into with --

9 A. We received --

10 MR. HECKER: Wait. Wait. Wait.  
11 Objection to form. Asked and answered.

12 BY MS. WAXMAN:

13 Q. Did Ripple receive anything in connection  
14 with the commercial agreement that they entered into  
15 with --

16 MR. HECKER: Same objection.

17 BY MS. WAXMAN:

18 Q. -- MoneyGram?

19 A. We received MoneyGram as a critical  
20 partner on RippleNet.

21 Q. Okay. And what benefit did Ripple get  
22 from obtaining MoneyGram as a critical partner?

23 MR. HECKER: Objection. Asked and  
24 answered twice previously.

25 THE WITNESS: We received the potential to

1 obviously work with MoneyGram, which was top two  
2 money transfer business in the world and all their  
3 volume, as well as the benefit of winning new  
4 customers who would either look to MoneyGram as  
5 validation of Ripple's solution or want to partner  
6 with MoneyGram.

7 BY MS. WAXMAN:

8 Q. In connection with the commercial  
9 agreement, did MoneyGram pay any fees to Ripple --

10 MR. FORD: Objection.

11 BY MS. WAXMAN:

12 Q. -- or did Ripple collect any revenues in  
13 connection with the commercial agreement?

14 MR. FORD: Objection.

15 MR. HECKER: Objection to form.

16 THE WITNESS: I don't recall the specifics  
17 of the MoneyGram commercial partnership.

18 BY MS. WAXMAN:

19 Q. Did the commercial -- commercial  
20 partnership involve the use of xRapid by MoneyGram?

21 MR. FORD: Objection to form.

22 THE WITNESS: The commercial partnership  
23 involved the use of xRapid, if I recall correctly.

24 BY MS. WAXMAN:

25 Q. And what -- strike that.

1           Did you -- I'm going to change topics for  
2   a moment.

3           Did you have any -- did you report to  
4   Mr. Garlinghouse?

5           A.   During my time at Ripple, I reported to  
6   the CEO, Brad Garlinghouse.

7           Q.   And how often did you meet with him?

8           MR. FORD:   Objection to form.

9           THE WITNESS:   Brad and I had a standing  
10   weekly one-on-one meeting.   We also both  
11   participated in a leadership meeting that involved  
12   multiple participants.   We also would typically  
13   participate in the XRP markets meeting.   So roughly  
14   three times a week.   I also sat three desks away  
15   from him, so it was kind of informal communication  
16   while we were in the office.

17   BY MS. WAXMAN:

18           Q.   Other than those three meetings, did  
19   you -- did he regularly attend any other meetings  
20   that you were present at?

21           A.   As I recall, that was the bulk of it.

22           Q.   And did Mr. Garlinghouse have final  
23   decision-making authority with respect to all of  
24   Ripple's financial transactions?

25           MR. HECKER:   Objection to form.



1 THE WITNESS: Mr. Garlinghouse, above a  
2 certain materiality, would -- according to the  
3 authority matrix, typically approve financial  
4 transactions. As far as overall, as you phrased it.  
5 Overall, he wasn't involved in every transaction.  
6 He was looking at the overall financial picture of  
7 Ripple.

8 BY MS. WAXMAN:

9 Q. But for certain material transactions, did  
10 you require his approval?

11 MR. FORD: Objection to form.

12 MR. HECKER: Objection to form.

13 THE WITNESS: Typically, depending on the  
14 size of the transaction, if it was above a certain  
15 materiality threshold, it would require the CEO's  
16 approval, Brad's.

17 BY MS. WAXMAN:

18 Q. And similar for certain XRP-related  
19 transactions over a certain threshold did those also  
20 require Mr. Garlinghouse's final approval?

21 MR. HECKER: Objection to form.

22 THE WITNESS: If they were of an ongoing  
23 nature, he would approve them as part of either the  
24 budget approval on an annual basis or a quarterly  
25 basis. If they were a specific nonrecurring nature,

1 it would depend on the materiality of that  
2 individual transaction.

3 BY MS. WAXMAN:

4 Q. And how would you determine whether a  
5 specific transaction was material? Would it be --  
6 would you -- what factors would you consider?

7 MR. HECKER: Objection to form.

8 THE WITNESS: One factor would be the  
9 dollar amount, as I recall. The other factor would  
10 be -- there could be other considerations depending  
11 on the -- on the type of transaction.

12 BY MS. WAXMAN:

13 Q. Earlier you testified that you  
14 participated in XRP sales meetings, correct?

15 A. The XRP markets meeting, a component of  
16 that was a discussion of our XRP sales.

17 Q. Okay. Did you understand that Ripple's  
18 sales were based on a percentage of total trading  
19 volume?

20 MR. HECKER: Objection to form.

21 THE WITNESS: I recall that was one of the  
22 factors that we would evaluate.

23 BY MS. WAXMAN:

24 Q. And how did that factor -- how did that  
25 factor into your decision-making process or the

1 group's decision-making process?

2 MR. HECKER: Objection to form.

3 THE WITNESS: I can't speak to the group.

4 I could speak -- I -- I viewed it as our goal should  
5 be to never impact the market with our activities.

6 BY MS. WAXMAN:

7 Q. And when you say never impact the market,  
8 can you be a little more specific of what you mean?

9 A. Yeah. We should strive to not change the  
10 natural supply/demand dynamic of any market that we  
11 were going to participate in.

12 Q. So were you trying not to impact the price  
13 of XRP with Ripple's --

14 A. That would be one of the factors.

15 Q. -- sales?

16 MR. FORD: Sorry.

17 THE WITNESS: Sorry.

18 MR. FORD: Objection to form.

19 MR. HECKER: You need to wait until

20 Ms. Waxman finishes.

21 THE WITNESS: Finishes.

22 BY MS. WAXMAN:

23 Q. Were there other things that you were --  
24 other factors that you were considering besides --

25 MR. FORD: Objection.



1 BY MS. WAXMAN:

2 Q. -- you know, the impact on XRP price?

3 MR. FORD: Objection to form.

4 THE WITNESS: There could be other factors  
5 that we would consider, depending on the specifics  
6 of any individual transaction.

7 BY MS. WAXMAN:

8 Q. Did you -- did you -- did -- were Ripple's  
9 sales based on a finite -- a -- a fixed percentage  
10 of total trading volume?

11 MR. HECKER: Objection.

12 MR. FORD: Objection to form.

13 MR. HECKER: Form.

14 THE WITNESS: I don't recall it being a  
15 fixed percentage over the entire three years I was  
16 there.

17 BY MS. WAXMAN:

18 Q. So it fluctuated up or down?

19 MR. FORD: Objection to form.

20 THE WITNESS: I recall that it -- it  
21 likely moved over that time period.

22 BY MS. WAXMAN:

23 Q. Okay. And when did -- did Ripple ever  
24 seek to increase the percentage -- the amount it  
25 sold by increasing the percentage of total trading

1 volume?

2 MR. HECKER: Objection to form.

3 THE WITNESS: I don't recall specifically  
4 any conversations about increasing the percentage.

5 BY MS. WAXMAN:

6 Q. Did you personally ever recommend that  
7 Ripple increase its XRP sales?

8 A. Don't recall.

9 Q. Did -- did you ever discuss in the sales  
10 meetings whether to increase Ripple's XRP sales?

11 MR. HECKER: Do you mean as a percentage  
12 or do you just mean gross numbers?

13 BY MS. WAXMAN:

14 Q. Well, it was -- my understanding was that  
15 it was based on a percentage. So if you were to  
16 increase the -- the amount, you would be increasing  
17 the percentage.

18 MR. HECKER: Objection to form. Lacks  
19 foundation.

20 THE WITNESS: As part of the XRP markets  
21 meeting, we would review the amount of sales that  
22 had been done historically on a variety of measures  
23 and on a quarterly basis, our achievement versus  
24 what we had forecast for that period of time.

25 / /

1 BY MS. WAXMAN:

2 Q. Did you ever deviate from the forecast?

3 MR. FORD: Objection to form.

4 MR. HECKER: Form.

5 THE WITNESS: I don't recall specifically,  
6 but we may have.

7 BY MS. WAXMAN:

8 Q. You had said that you would review the  
9 amount of sales that had been done historically on a  
10 variety of measures on a quarterly basis and look at  
11 your achievement versus what we had forecasted.

12 What do you mean by "achievement"?

13 MR. HECKER: Objection to form.

14 THE WITNESS: We would sell XRP for U.S.  
15 dollars. We would look at the amount of dollars as  
16 part of our normal budgeting process where we  
17 reviewed all of our results versus what we had  
18 forecast we would have done over that time period.

19 BY MS. WAXMAN:

20 Q. Were there times that you sold more than  
21 you had forecasted?

22 MR. FORD: Objection to form.

23 THE WITNESS: Not that I recall.

24 BY MS. WAXMAN:

25 Q. Were there times where you had sold less



1     than you had forecasted?

2             MR. FORD:  Objection to form.

3             THE WITNESS:  Not that I specifically  
4     recall, but there might have been.

5     BY MS. WAXMAN:

6             Q.  And under what circumstances would you  
7     sell less than what you had forecasted?

8             MR. FORD:  Same objection.

9             THE WITNESS:  If the volume -- volume in  
10    cryptocurrency is difficult to predict.  XRP no  
11    different than the rest of cryptocurrencies.  So  
12    if -- if volume decreased, we may sell as a -- as a  
13    dollar amount, a lower amount.

14    BY MS. WAXMAN:

15            Q.  But you would have the same percentage.  
16    So if the volume decreased, then even -- you had  
17    still keep the same percentage.  I'm talking about  
18    were there times where you changed the actual  
19    percentage of volume?

20            MR. FORD:  Objection.

21    BY MS. WAXMAN:

22            Q.  The percentage that Ripple would sell?

23            MR. HECKER:  Objection to form.

24            THE WITNESS:  There may have been.  Over  
25    that three-year time period, there may have been.  I

1 don't recall specifically.

2 BY MS. WAXMAN:

3 Q. Earlier you said you had about 40 direct  
4 reports. Did [REDACTED] directly report to  
5 you, or [REDACTED]? I don't -- I'm not sure how to  
6 pronounce her name.

7 A. [REDACTED] did not -- I believe, for  
8 a short period of time, she may have directly  
9 reported to me, and then -- and then I believe, as I  
10 recall, she moved into the XRP markets team.

11 Q. And during what time did she report to  
12 you?

13 A. I -- I don't specifically recall. She was  
14 involved in Ripple equity investor relations as --  
15 as part of the reason why she was reporting directly  
16 to me.

17 Q. Was she involved in investor relations  
18 related to XRP purchasers?

19 MR. FORD: Objection to form.

20 THE WITNESS: During her time in the XRP  
21 markets group, as I recall, she may have had contact  
22 with potential buyers or -- buyers or sellers of  
23 XRP.

24 BY MS. WAXMAN:

25 Q. Did you hire [REDACTED]?

1 A. No.

2 Q. Who hired her?

3 MR. FORD: Objection to form.

4 THE WITNESS: I don't know.

5 BY MS. WAXMAN:

6 Q. During the period that she didn't report  
7 to you, who did she report to?

8 MR. FORD: Objection to form.

9 THE WITNESS: If I recall correctly,  
10 Miguel Vias.

11 BY MS. WAXMAN:

12 Q. And you said that Ms. [REDACTED] may have had  
13 contact with potential XRP buyers.

14 When did she have contact with potential  
15 XRP buyers?

16 MR. FORD: Objection to form.

17 THE WITNESS: [REDACTED] would regularly  
18 attend cryptocurrency conferences, as I recall, in  
19 conjunction with David Schwartz, who was our chief  
20 cryptographer at the time and became our CTO. They  
21 would attend conferences together, so ...

22 BY MS. WAXMAN:

23 Q. Was Ms. [REDACTED] hired specifically to act as  
24 an investor relations for XRP buyers?

25 MR. HECKER: Objection to form.



1 Foundation.

2 THE WITNESS: I don't know why [REDACTED]

3 [REDACTED] was hired. In my capacity, I used her  
4 primarily as investor relations for Ripple equity  
5 shareholders. She organized our 2018 Ripple equity  
6 investor conference.

7 BY MS. WAXMAN:

8 Q. And were there other things that she did  
9 while she reported to you?

10 A. She may have. I don't recall.

11 Q. Who is [REDACTED] or [REDACTED]? How do  
12 you --

13 A. [REDACTED] was the vice president of  
14 corporate development over some time period at -- at  
15 Ripple.

16 Q. Did he report to you as well?

17 MR. FORD: Objection to form.

18 THE WITNESS: As I recall, he may -- he  
19 may have, for a short period of time, in between  
20 Patrick Griffin's departure and [REDACTED]  
21 arrival, which was a fairly short period of time.

22 BY MS. WAXMAN:

23 Q. And who is [REDACTED]?

24 A. [REDACTED] was an employee involved in  
25 general communications, as I recall it.

1 Q. Did he report to you ever?

2 A. I don't recall [REDACTED] reporting to me.

3 Q. Did you have any involvement in hiring

4 Mr. [REDACTED]?

5 A. I had worked with [REDACTED] at -- he was

6 an investor at [REDACTED] through his involvement

7 with [REDACTED] so ...

8 Q. Did you bring him -- recommend to bring

9 him on to Ripple?

10 A. I was part of the interview team.

11 Q. Did Breanne Madigan report to you ever?

12 A. For a period of time of 2020, Breanne

13 reported to me.

14 Q. And did Miguel Vias ever report to you?

15 A. For a period, I recall -- I believe in

16 2018, for a short period of time, Miguel Vias

17 reported to me.

18 Q. Did you have any involvement in -- in how

19 the company valued itself?

20 MR. FORD: Objection to form.

21 THE WITNESS: I was involved with the

22 discussions around potential valuation that

23 investors may be evaluating Ripple on.

24 BY MS. WAXMAN:

25 Q. And how did you believe that Ripple should

1 value itself as a company?

2 MR. HECKER: Objection to form.

3 THE WITNESS: Over my time period there,  
4 it probably evolved. But it was a combination of  
5 the value of RippleNet, the value of its investments  
6 and the value of its XRP in various percentages.

7 BY MS. WAXMAN:

8 Q. When you first joined Ripple, did any one  
9 of those things play a bigger role in Ripple's  
10 valuation?

11 MR. HECKER: Objection to form.

12 THE WITNESS: No. No, they did not.

13 BY MS. WAXMAN:

14 Q. How did Ripple's valuation evolve over  
15 time?

16 MR. FORD: Objection to form.

17 THE WITNESS: We made more involvements.  
18 MoneyGram, you mentioned. But also our Xpring  
19 initiative. And then the value of RippleNet. You  
20 know, when I joined, it had a small number of  
21 customers. It -- it grew to many more customers  
22 over that three-year period. So that's how it  
23 evolved.

24 BY MS. WAXMAN:

25 Q. Other those -- than those things,



1 RippleNet, investments and XRP, anything else that  
2 you considered as -- when you tried to value the  
3 company?

4 MR. HECKER: Objection to form.  
5 Mischaracterizes testimony.

6 THE WITNESS: Not that I recall. There  
7 may have been.

8 BY MS. WAXMAN:

9 Q. In 2018, what was the value of RippleNet  
10 to Ripple?

11 MR. FORD: Objection to form.

12 MR. HECKER: Objection to form.

13 THE WITNESS: I don't recall us ever  
14 running a specific valuation for RippleNet.

15 BY MS. WAXMAN:

16 Q. And in 2018, what was the value of  
17 Ripple's investments?

18 MR. HECKER: Same objection.

19 THE WITNESS: Don't recall.

20 BY MS. WAXMAN:

21 Q. And in 2018, what was the value of  
22 Ripple's XRP?

23 MR. HECKER: Objection to form.

24 THE WITNESS: Value of XRP changed over  
25 the entire year.

1 BY MS. WAXMAN:

2 Q. How did you determine a value of XRP?

3 MR. FORD: Objection to form.

4 THE WITNESS: Typically started with  
5 the -- the price of XRP and the holdings of XRP at  
6 that time period, and then applied a substantial  
7 discount related to liquidity and particularly  
8 because of the -- the escrow. But also because of  
9 the potential impact, if we were to sell it. We  
10 used analogies, valuation analogies to try to figure  
11 that out.

12 BY MS. WAXMAN:

13 Q. In 2018, did you think Ripple's valuation  
14 was solely from its holdings of XRP?

15 MR. FORD: Objection to form.

16 MR. HECKER: Objection to form.

17 THE WITNESS: No.

18 BY MS. WAXMAN:

19 Q. What else did you consider, other than the  
20 XRP in 2018?

21 MR. HECKER: Objection to form.

22 MR. FORD: Objection to form.

23 THE WITNESS: Valuation of RippleNet, and  
24 we were starting to build a portfolio of investments  
25 as well.

1 BY MS. WAXMAN:

2 Q. Why did you think the company should value  
3 itself based on its XRP when -- strike that.

4 Did the XRP appear on the financial  
5 statements?

6 MR. FORD: Objection to form.

7 THE WITNESS: The -- the XRP did not  
8 appear on the balance sheet of Ripple.

9 BY MS. WAXMAN:

10 Q. So why did you take the XR- -- Ripple's  
11 XRP holdings into consideration when coming up with  
12 a valuation for the company?

13 MR. HECKER: Objection to form.

14 THE WITNESS: The XRP doesn't appear on  
15 the balance sheet of Ripple, because according to  
16 generally accepted accounting principles it's based  
17 on cost basis for an intangible asset of indefinite  
18 life. That means that when Ripple received the XRP,  
19 it's the cost at that time, which was zero. So it  
20 was an accounting determination, which can be  
21 frequently different from a valuation methodology.

22 BY MS. WAXMAN:

23 Q. So even though the -- Ripple's XRP  
24 holdings didn't appear on the financial statements,  
25 you still thought its XRP holdings was an important



1 piece of the company's valuation?

2 MR. HECKER: Objection to form.

3 THE WITNESS: I thought that it was a  
4 piece of the valuation of the company.

5 BY MS. WAXMAN:

6 Q. Did you think it was the most important  
7 piece of Ripple's valuation?

8 MR. HECKER: Objection to form.

9 THE WITNESS: I did not think it was the  
10 most important piece.

11 BY MS. WAXMAN:

12 Q. Other than Ripple's XRP holdings, what  
13 provided value to the company?

14 MR. HECKER: Objection to form.

15 THE WITNESS: In my conversations with  
16 investors, investors seemed to, as I recall, put  
17 value on RippleNet as well as the portfolio of  
18 investments. So that's how we thought about it.

19 BY MS. WAXMAN:

20 Q. You had conversations with investors who  
21 valued RippleNet?

22 A. We had conversations with investors about  
23 their -- how they viewed their investment in Ripple  
24 equity.

25 Q. And how did investors come up with a

1 valuation for their investment?

2 MR. HECKER: Objection to form.

3 Foundation.

4 THE WITNESS: You'd need to ask the

5 investors.

6 BY MS. WAXMAN:

7 Q. Did your --

8 A. My conversations with them typically were

9 around the methodology versus the specifics.

10 Q. And when you say conversations about the  
11 methodology, are you talking about the formula you  
12 told me earlier, price times holding minus some sort  
13 of discount?

14 MR. HECKER: Objection to form.

15 THE WITNESS: Different investors use  
16 different methodologies.

17 BY MS. WAXMAN:

18 Q. What method -- did Ripple have a  
19 recommended methodology?

20 MR. FORD: Objection to form.

21 THE WITNESS: I don't recall us having a  
22 recommended methodology.

23 BY MS. WAXMAN:

24 Q. While you were CFO, did you come up with a  
25 valuation for Ripple's shares?

1 MR. FORD: Objection to form.

2 THE WITNESS: Not that I recall.

3 BY MS. WAXMAN:

4 Q. Was that something that Ripple equity  
5 investors wanted to know?

6 MR. FORD: Objection to form.

7 THE WITNESS: In my experience as a CFO of  
8 multiple start-ups, investors make their own  
9 determinations about the valuation of their equity  
10 holdings.

11 BY MS. WAXMAN:

12 Q. Earlier we spoke about certain business  
13 risks that would need to be disclosed in a  
14 registration statement. Did -- did you have any  
15 understanding what business risks Ripple was subject  
16 to?

17 MR. HECKER: Objection to form.  
18 Foundation.

19 THE WITNESS: As a private start-up in  
20 fintech, there's always execution risk that we  
21 considered -- you know, that I considered.

22 BY MS. WAXMAN:

23 Q. What do you mean, execution risk? What  
24 does that mean?

25 A. Execution risk meaning the ability to



1 execute on your long-term plan of building a  
2 financial network.

3 Q. So what was the specific risk in  
4 connection with Ripple?

5 MR. HECKER: Objection to form.

6 You can answer.

7 THE WITNESS: As any network, it was  
8 getting sufficient market participants on both the  
9 buy side and the sell side, or the receive and  
10 the -- and the send across multiple currencies, as  
11 well as volume of activity.

12 BY MS. WAXMAN:

13 Q. Were there any other business risks to  
14 Ripple?

15 A. There likely were. I don't -- I don't  
16 specifically recall.

17 Q. Were there any business risks specific to  
18 XRP?

19 MR. HECKER: Objection to form.

20 MR. FORD: Objection.

21 THE WITNESS: I don't recall.

22 BY MS. WAXMAN:

23 Q. If Ripple -- if the volume of XRP  
24 decreased, would that be a risk, a business risk  
25 posed to Ripple?

1 MR. HECKER: Objection to form.

2 THE WITNESS: I could see that being a  
3 risk, a risk to Ripple.

4 BY MS. WAXMAN:

5 Q. And why would that be a risk?

6 A. Depends on the specific circumstances, but  
7 I could see that being a risk. That would be  
8 considered amongst all other risks, sure.

9 Q. And if -- earlier we spoke about how  
10 Ripple would sell XRP based on percentage of volume.  
11 If volume decreased, would you sell less XRP?

12 MR. HECKER: Objection to form.

13 THE WITNESS: That would -- that would be  
14 one of the implications of lower volume over a  
15 specific time period.

16 BY MS. WAXMAN:

17 Q. And if -- was there a regulatory risk with  
18 respect to XRP status?

19 MR. HECKER: Objection. Objection to  
20 form.

21 And to the extent your understanding of  
22 regulatory risk comes from discussions with legal  
23 counsel, we'd instruct you not to answer that  
24 question.

25 THE WITNESS: I relied on counsel.

1 BY MS. WAXMAN:

2 Q. Did you have any conversations, outside of  
3 conversations with counsel, concerning the -- the  
4 risk that XRP could be -- a security or that  
5 Ripple's sales of XRP needed to be registered with  
6 the SEC?

7 MR. HECKER: Objection to form.

8 You can answer that question to the extent  
9 you had discussions outside the presence of counsel.

10 THE WITNESS: I don't recall.

11 MR. FORD: Just to add, to the extent  
12 those conversations were not informed by your  
13 discussions with counsel.

14 THE WITNESS: I don't recall any  
15 conversations that met that criteria.

16 MR. FORD: Daphna, we've been going about  
17 an hour, if now is time to take a short break.

18 MS. WAXMAN: Sure. We're off the record  
19 at 11:37.

20 THE VIDEOGRAPHER: We're going off the  
21 record. The time is 11:37 a.m.

22 (Whereupon, a recess was taken.)

23 THE VIDEOGRAPHER: Back on the record.  
24 The time is 11:50 a.m.

25 / /



1 BY MS. WAXMAN:

2 Q. Mr. Will, are you aware that one of the  
3 issues in this lawsuit is whether Ripple's sales of  
4 XRP are securities -- are sales of unregistered  
5 securities?

6 MR. FORD: Objection to form. And let's  
7 start with a yes-or-no answer.

8 THE WITNESS: Yes.

9 BY MS. WAXMAN:

10 Q. And when did you first learn about an SEC  
11 investigation into Ripple?

12 MR. FORD: So, again, to the extent that  
13 this gets into conversations or discussions you had  
14 with counsel, let's not answer as to those. If you  
15 can answer without revealing discussions with  
16 counsel, you can answer.

17 THE WITNESS: Late 2020.

18 BY MS. WAXMAN:

19 Q. And I just want to clarify --

20 MR. FORD: Yeah, what was the question --  
21 repeat, sorry, he may have answered it.

22 BY MS. WAXMAN:

23 Q. During your time at Ripple, did you come  
24 to learn about an SEC investigation into Ripple?  
25 I'm now talking about the -- the lawsuit that was

1 filed at the end of 2020.

2 A. Yes.

3 Q. And when did you first come to learn about  
4 an SEC investigation into Ripple? And with the  
5 caveat, I don't want to -- if you can separate that  
6 from conversations you've had with counsel.

7 A. 2018, if I recall.

8 Q. And what month in 2018?

9 A. I don't recall.

10 Q. Did you learn about the investigation soon  
11 after Ripple became aware of it?

12 MR. FORD: Objection to form.

13 MR. HECKER: Objection to form.

14 THE WITNESS: I don't recall when Ripple  
15 specifically became aware of it.

16 BY MS. WAXMAN:

17 Q. And who told you about the SEC  
18 investigation into Ripple?

19 A. Internal counsel.

20 Q. Since the time that you learned about the  
21 SEC investigation, are you aware of anyone  
22 affiliated with the SEC communicating to anyone at  
23 Ripple that XRP is not a security -- or that  
24 Ripple's sales of XRP are not sales of securities?

25 MR. HECKER: Objection to form.

1 THE WITNESS: I don't -- I don't recall.

2 No.

3 BY MS. WAXMAN:

4 Q. No.

5 Did Ripple disclose the SEC investigation  
6 to third parties other than its own lawyers?

7 MR. FORD: Objection to form.

8 THE WITNESS: I recall us mentioning it to  
9 our auditors.

10 BY MS. WAXMAN:

11 Q. And when did you disclose it to your  
12 auditors?

13 A. 2019.

14 Q. And was there a specific reason that you  
15 disclosed it to the auditor?

16 MR. HECKER: Objection to form and same  
17 instructions about discussions with counsel.

18 THE WITNESS: It would be part of -- it's  
19 called, I believe, client assurance.

20 BY MS. WAXMAN:

21 Q. What does that mean, "client assurance"?

22 A. When the accounting firms take on a new  
23 client, particularly a Big Four accounting firm such  
24 as Deloitte, they will have a due diligence process.  
25 And as part of that process, they will ask a series



1 of questions. I believe it was in connection with  
2 that due diligence process that we disclosed  
3 discussions with the SEC.

4 Q. And who was the auditor?

5 A. [REDACTED]

6 Q. And did Ripple change auditors in 2019?

7 A. As is common for early-stage companies, we  
8 moved to a Big Four auditor as part of our public  
9 company readiness process.

10 Q. And did you disclose the SEC investigation  
11 to any other auditor prior to that time?

12 MR. FORD: Objection to form.

13 THE WITNESS: I don't recall.

14 BY MS. WAXMAN:

15 Q. Did Ripple disclose the SEC investigation  
16 to anyone else? And, again, I'm not talking about  
17 conversations with counsel?

18 MR. FORD: Objection to form.

19 THE WITNESS: I don't recall.

20 BY MS. WAXMAN:

21 Q. Did Ripple disclose the investigation to  
22 any digital asset trading platform?

23 MR. FORD: Objection to form.

24 THE WITNESS: I don't recall.

25 / /

1 BY MS. WAXMAN:

2 Q. Did you ever disclose the investigation to  
3 anyone?

4 A. I don't recall disclosing it.

5 Q. Did Ripple disclose the investigation to  
6 any potential partners?

7 MR. FORD: Objection to form.

8 THE WITNESS: I don't recall.

9 BY MS. WAXMAN:

10 Q. Did Ripple disclose the investigation to  
11 the market in general?

12 MR. HECKER: Objection to form.

13 THE WITNESS: I don't recall.

14 BY MS. WAXMAN:

15 Q. Would you have -- would -- is that  
16 something a -- strike that.

17 Did any digital asset platform ever ask  
18 you about XRP status under the federal securities  
19 laws?

20 MR. FORD: Objection to form.

21 MR. HECKER: Objection to form.

22 THE WITNESS: I wouldn't have been  
23 involved in any direct communication as part of my  
24 role at Ripple with an exchange.

25 / /

1 BY MS. WAXMAN:

2 Q. Did you ever come to learn that a digital  
3 asset platform had inquired about XRP's status under  
4 the federal securities laws?

5 MR. HECKER: Objection to form.  
6 Foundation.

7 THE WITNESS: I don't recall.

8 BY MS. WAXMAN:

9 Q. Did any market participant ever inquire,  
10 ask Ripple as to XRP's status under the federal  
11 securities laws?

12 MR. FORD: Objection to form.

13 THE WITNESS: They may have. I don't  
14 specifically recall.

15 BY MS. WAXMAN:

16 Q. Did any -- any market participant ever  
17 request that Ripple provide them with a legal  
18 opinion stating that XRP was not a security?

19 MR. HECKER: Objection to form.

20 THE WITNESS: Don't recall.

21 BY MS. WAXMAN:

22 Q. Did Ripple ever receive a legal opinion  
23 from a law firm regarding XRP status under the  
24 federal securities laws?

25 MR. FORD: Objection to form and, again,



1 to the extent -- you know, to the extent this  
2 reveals privileged information, you know, you can  
3 answer to the extent you're aware yes or no, and  
4 let's stop there.

5 THE WITNESS: Don't recall.

6 BY MS. WAXMAN:

7 Q. Did Ripple ever represent to any third  
8 party that it had a legal opinion from a law firm  
9 regarding XRP's status under the federal securities  
10 laws?

11 MR. FORD: Objection to form.

12 THE WITNESS: Don't recall.

13 BY MS. WAXMAN:

14 Q. Did you have communications with any  
15 digital asset trading platforms regarding XRP's  
16 status under the federal securities laws?

17 MR. FORD: Objection to form. Foundation.

18 THE WITNESS: I don't recall any  
19 conversations like that.

20 BY MS. WAXMAN:

21 Q. Did some digital asset platforms decide  
22 not to move forward with an XRP listing --

23 MR. FORD: Objection --

24 BY MS. WAXMAN:

25 Q. -- based on a concern that XRP could be

1 deemed a security?

2 MR. FORD: Objection to form.

3 THE WITNESS: I don't recall.

4 MS. WAXMAN: Let's look at Exhibit 1.

5 Q. Mr. Will, I'm showing you Exhibit RW1,  
6 which is a document with the Bates 00 -- RPLI\_SEC  
7 0095987.

8 Please a take a moment to look at it and  
9 let me know when you're done.

10 (Whereupon, Deposition Exhibit 1  
11 was marked for identification.)

12 THE WITNESS: Okay.

13 BY MS. WAXMAN:

14 Q. Who was [REDACTED]?

15 A. [REDACTED] and I worked together at  
16 Yahoo. She was in the tax department. She has  
17 since been the head of tax at several start-ups.  
18 And I was talking to [REDACTED] three weeks after I  
19 joined Ripple to become our -- to consider becoming  
20 our head of tax.

21 Q. So you were contemplating hiring [REDACTED] at  
22 Ripple?

23 A. Yes.

24 Q. Where did she work at the time that you  
25 sent this email?

1 A. I don't recall.

2 Q. Where does she work now?

3 A. Don't know.

4 Q. And why did you send be this email to her?

5 A. It was part of the hiring process. We  
6 would typically create case study and provide  
7 certain exhibits in a situation and see how a  
8 candidate would respond. That was a standard part  
9 of a hiring process on my team.

10 Q. So was -- were you seeking some sort of  
11 recommendation with respect to a financial  
12 transaction?

13 MR. HECKER: Objection to form.  
14 Foundation.

15 THE WITNESS: No. I was looking to see  
16 how creative she might think about a situation as  
17 part of the interview process at Ripple.

18 BY MS. WAXMAN:

19 Q. And what situation did you pose to her?

20 A. To think about, you know, what the tax  
21 treatment of a loan of XRP should be.

22 Q. Did she provide a response?

23 A. I don't recall.

24 Q. And at the time that you sent this email,  
25 what -- how -- what was the tax -- how did Ripple



1 view the tax consequences of an XRP loan?

2 MR. FORD: Objection to form.

3 THE WITNESS: I was, at this point,  
4 getting up to speed on -- we -- we had no in-house  
5 resources around tax. We were relying on external  
6 advisors. And so I actually don't recall how we  
7 were treating it. I was looking to see if she might  
8 make a good candidate for a tax position given the  
9 limited amount of available expertise.

10 BY MS. WAXMAN:

11 Q. Did the tax treatment depend on whether or  
12 not XRP was viewed as a security as part of the  
13 transaction?

14 MR. HECKER: Objection to form.  
15 Foundation.

16 THE WITNESS: I'm not a tax expert. I was  
17 looking to her to provide some guidance on how, from  
18 a tax perspective, we should look at this --

19 BY MS. WAXMAN:

20 Q. At the --

21 A. -- three weeks after I joined the company.

22 Q. If you turn the page, the very first part  
23 of the chain at the very end, can you just read that  
24 last paragraph into the record for me starting with  
25 "unfortunately"?

1           A.    "Unfortunately, we don't view XRP as a  
2   security; treating XRP as a security might help us  
3   on the tax side but it opens up a can of worms on  
4   the securities regulation side. I'm also not sure  
5   XRP fits the description of a security for tax  
6   purposes or that it's in our interest to force it to  
7   fit. It would be great if we could characterize the  
8   transaction as an asset lending transaction and get  
9   the same outcome."

10          Q.    The first part of the sentence, you say  
11   "we don't view XRP as a security." When you say  
12   "we," are you talking about Ripple?

13          A.    I was talking about the finance  
14   department.

15          Q.    And how did you come to that  
16   understanding?

17               MR. HECKER: Objection to form and, again,  
18   counsel the witness that to the extent your  
19   understanding comes from discussions with counsel,  
20   you can answer that much, but not beyond that.

21   BY MS. WAXMAN:

22          Q.    I'll rephrase.

23               Did you have any discussions with anyone  
24   at Ripple other than attorneys about their view of  
25   XRP?

1 A. Not that I recall in my first three weeks.

2 Q. So who told you that was Ripple's view?

3 MR. FORD: Objection. Misstates the  
4 testimony.

5 THE WITNESS: I don't recall specifically  
6 who in the legal department.

7 BY MS. WAXMAN:

8 Q. Did you ever make similar representations  
9 to anyone outside of Ripple that Ripple didn't view  
10 XRP as a security?

11 A. I wouldn't consider this a representation.  
12 This was a case study that we created for a  
13 candidate, and the back and forth related to that  
14 case study as part of an interview process.

15 Q. So was this -- was that this -- was this  
16 Ripple's view with respect to XRP status under the  
17 federal securities laws?

18 MR. HECKER: Objection to form.

19 MR. FORD: Objection to form.

20 MR. HECKER: Foundation.

21 THE WITNESS: The "we" in this sentence is  
22 myself as part of a finance department, as an  
23 unqualified professional trying to create a case  
24 study for a potential tax candidate who was also new  
25 to cryptocurrency.



1 BY MS. WAXMAN:

2 Q. I'm just trying to understand, is this a  
3 hypothetical view or the actual view of Ripple at  
4 the time that you sent this email?

5 MR. HECKER: Objection. Asked and  
6 answered.

7 THE WITNESS: It's a hypothetical case  
8 study as part of an interview process that I  
9 provided to a candidate to assess her ability to  
10 think creatively about tax matters.

11 BY MS. WAXMAN:

12 Q. And so did you have an understanding --  
13 I -- I heard your answer that you said that this was  
14 part of a case study, but separate and apart from  
15 that, did you have an understanding, at the time, of  
16 Ripple's view of XRP under the federal securities  
17 laws?

18 MR. HECKER: Objection. Foundation.  
19 Asked and answered.

20 THE WITNESS: I don't recall specific  
21 conversations prior to this email.

22 BY MS. WAXMAN:

23 Q. You go on to say:

24 "Treating XRP as a security  
25 might help on the tax side, but it

1 opens up a can of worms on the  
2 securities regulation side."

3 What did you mean by "it opens up a can of  
4 worms on the securities regulation side"?

5 MR. FORD: Objection --

6 THE WITNESS: I don't recall -- sorry.

7 MR. FORD: Objection to form and, again,  
8 to the extent that your knowledge of that issue is  
9 informed by discussions with counsel, let's go up to  
10 that and not further.

11 THE WITNESS: I don't recall.

12 BY MS. WAXMAN:

13 Q. Is your knowledge -- was it a hypothetical  
14 or was this actually the view of the company at the  
15 time? It wasn't informed by discussions with  
16 counsel?

17 MR. HECKER: You've asked that question  
18 now a couple times and he's told you he doesn't  
19 remember.

20 You can answer the question again.

21 THE WITNESS: I don't recall.

22 BY MS. WAXMAN:

23 Q. Would treating XRP as a security lead to  
24 complications for Ripple?

25 MR. FORD: Objection to form.

1 THE WITNESS: I'm not qualified to answer  
2 that.

3 BY MS. WAXMAN:

4 Q. Why do you say you're not qualified to  
5 answer that?

6 A. I think that's -- that's left to legal  
7 counsel.

8 Q. Would it create complications from a  
9 financial perspective?

10 A. Not that I -- I'm aware of.

11 Q. I know you're not an attorney, but earlier  
12 we did speak about certain requirements for public  
13 reporting companies.

14 So would Ripple need to register its sales  
15 of XRP or sell XRP pursuant to an exemption if it  
16 were to be deemed a security?

17 MR. HECKER: Objection. Calls for a legal  
18 conclusion.

19 THE WITNESS: I'm not qualified to make  
20 that assessment.

21 BY MS. WAXMAN:

22 Q. If you turn to the first page of the  
23 email, at the very bottom, [REDACTED] asked you:

24 "Are there any good articles  
25 out there that can help me



1 understand how XRP drives its  
2 value?"

3 At the time of this email, did you have an  
4 understanding of what drove XRP's value?

5 MR. HECKER: Objection to form.

6 THE WITNESS: I don't recall.

7 BY MS. WAXMAN:

8 Q. You -- in the next email, you say:

9 "The website is probably the  
10 best info available."

11 Are you talking about Ripple's website?

12 MR. FORD: Objection to form.

13 THE WITNESS: Don't recall.

14 BY MS. WAXMAN:

15 Q. Did you believe that Ripple was the  
16 central repository for information on XRP?

17 MR. FORD: Objection to form.

18 MR. HECKER: Objection to form.

19 Foundation.

20 THE WITNESS: At the time of this email?

21 BY MS. WAXMAN:

22 Q. Yes.

23 A. No. I don't recall that.

24 Q. At the very top of the email, you talk  
25 about the purpose of the transaction, correct?

1 MR. FORD: Objection to form. Misstates  
2 the testimony.

3 BY MS. WAXMAN:

4 Q. Will you read the -- into the record the  
5 top email?

6 A. Sure. I was responding to her questions,  
7 one, two and three, further down in the email:

8 "We would be making the loan  
9 to increase the number of market  
10 makers in XRP by providing them  
11 access to XRP/liquidity. We are  
12 the XRP holder -- we have  
13 60 billion."

14 (Reporter clarification.)

15 THE WITNESS: Sorry.

16 BY MS. WAXMAN:

17 Q. So what was the purpose of the loan  
18 transaction?

19 MR. FORD: Objection to form.

20 MR. HECKER: Objection to form.

21 MR. FORD: Misstates the testimony.

22 THE WITNESS: There was no transaction  
23 here. This was a scenario that we were presenting  
24 to a potential tax candidate, and it was the --  
25 the -- a component of the scenario was that we would

1 be making the loan to increase the number of market  
2 makers.

3 BY MS. WAXMAN:

4 Q. Did Ripple ever loan XRP in order to  
5 increase the number of market makers in XRP?

6 MR. FORD: Objection to form.

7 THE WITNESS: I don't recall.

8 BY MS. WAXMAN:

9 Q. You don't recall Ripple ever loaning XRP?

10 MR. HECKER: Objection to form.

11 MR. FORD: Objection to form.

12 MR. HECKER: It's a different question.

13 THE WITNESS: I recall us making loans.

14 BY MS. WAXMAN:

15 Q. XRP loans?

16 A. We did -- I recall us making XRP -- we  
17 would sometimes characterize them -- we rarely  
18 characterize them as loans. We typically  
19 characterized, for tax purposes, as a lease.

20 Q. And did these loans have any benefit to  
21 any of the software products that Ripple sold?

22 MR. FORD: Objection to form.

23 THE WITNESS: In the context of this  
24 scenario, they would increase XRP liquidity, which  
25 would make xRapid or ODL work more efficiently.



1 BY MS. WAXMAN:

2 Q. But at the time, in December 2017, did  
3 xRapid even exist?

4 MR. FORD: Objection to form. Misstates  
5 the testimony. Foundation.

6 MR. HECKER: And argumentative.

7 THE WITNESS: xRapid was on the product  
8 road map, I believe, if I recall correctly, in late  
9 2017.

10 BY MS. WAXMAN:

11 Q. When you say on the product road map, did  
12 it have any customers?

13 A. At a high tech company at the stage at  
14 Ripple was in late 2017, it would not be uncommon to  
15 discuss what it would take for a product to be  
16 successful. And this was a component potentially of  
17 the finance department's contribution to that  
18 product being successful that we were thinking about  
19 early on.

20 Q. How could the -- how could it contribute  
21 to the success of the product if the product wasn't  
22 even in existence?

23 MR. HECKER: Objection to form.  
24 Argumentative.

25 THE WITNESS: We had, at that point, if I

1 recall correctly, talked about how the product may  
2 work and what it would require to work.

3 BY MS. WAXMAN:

4 Q. So what benefit did the loan provide prior  
5 to the product coming into existence?

6 A. The hypothetical loan --

7 MR. FORD: Objection. Sorry. Objection.  
8 Objection to form.

9 THE WITNESS: This was a scenario that we  
10 presented in late 2017 to a potential tax candidate  
11 that we ended up not moving forward with. We -- it  
12 is not uncommon at a high tech company to talk about  
13 products well in advance of their release. And we  
14 were thinking about the potential necessary  
15 attributes of the ecosystem to make the product  
16 successful.

17 And a component of that for making xRapid,  
18 at the time, which may -- may have been called  
19 something else, was liquidity of the XRP market.

20 BY MS. WAXMAN:

21 Q. Did increased liquidity in the XRP market  
22 allow Ripple to sell more XRP?

23 MR. FORD: Objection to form.

24 THE WITNESS: The increased liquidity in  
25 the context of this email would be in a specific

1 emerging market so that the liquidity between XRP  
2 and a specific emerging market currency would be  
3 increased. It would not directly relate to the  
4 increase in liquidity that may influence the amount  
5 of sales that were possible.

6 BY MS. WAXMAN:

7 Q. I understand that. If the loan was in  
8 connection with a specific market or a specific --  
9 or in connection with xRapid, but -- but I'm talking  
10 about loans prior to xRapid being used?

11 MR. HECKER: Objection. Are we talking  
12 about this document or are you asking separate and  
13 apart from this document? The record is getting  
14 very confused.

15 BY MS. WAXMAN:

16 Q. Sure. Separate and apart from this  
17 document, did Ripple enter into XRP loans?

18 A. Over what time period?

19 Q. Over your entire tenure with Ripple.

20 A. I recall that we did make loans.

21 Q. Okay. And did Ripple provide XRP loans  
22 prior to XRP being launched?

23 MR. FORD: Objection to form.

24 MR. HECKER: Objection to form. You don't  
25 mean XRP.



1 BY MS. WAXMAN:

2 Q. XRapid.

3 A. I don't recall.

4 Q. And what was the purpose of the XRP loans  
5 that Ripple entered into prior to xRapid being  
6 launched?

7 MR. HECKER: Just said he -- he just said  
8 he didn't recall whether they did that, so I don't  
9 know how he's supposed to answer that question.

10 THE WITNESS: Yeah. I don't recall.

11 MS. WAXMAN: Okay. Exhibit 2, please.

12 (Whereupon, Deposition Exhibit 2  
13 was marked for identification.)

14 BY MS. WAXMAN:

15 Q. Mr. Will, I'm showing you what's been  
16 marked as RW Number 2, which has the Bates RPLI\_SEC  
17 0395056 through -58.

18 Please take a moment to look at it and let  
19 me know when you're done.

20 And I'm going to ask you questions on the  
21 very top email on the first page.

22 A. Okay.

23 Q. Why did Brad send you this email?

24 MR. HECKER: Objection to form.

25 MR. FORD: Objection to form.

1 THE WITNESS: I can't speak to why Brad  
2 sent me this email.

3 BY MS. WAXMAN:

4 Q. Okay. And did he tell you why?

5 A. I don't recall anything other than what is  
6 in here from December 2017.

7 Q. Okay. And in or around December 2017, did  
8 you supervise [REDACTED]?

9 A. I don't recall specifically.

10 Q. Did you direct [REDACTED] to push XRP in or  
11 around this time?

12 A. I directed --

13 MR. HECKER: Sorry. Objection to form.

14 THE WITNESS: I directed -- I -- I gave  
15 instructions to [REDACTED] that when she wrote the -- as  
16 I recall, the monthly update for Brad to review,  
17 that she highlight XRP.

18 BY MS. WAXMAN:

19 Q. And why did you tell her to highlight XRP?

20 A. I was three weeks, maybe four weeks into  
21 the job, and I was considering different ways to  
22 communicate to investors and -- and our partners.

23 Q. The email says "told her to push XRP."

24 Does that mean promote the purchase of  
25 XRP?

1 MR. HECKER: Objection to form.  
2 Foundation.

3 THE WITNESS: I don't recall specifically.  
4 I believe my intent was that she would highlight  
5 XRP, which is about half the email. The specific  
6 attributes including technical superiority and the  
7 use case of XRP. So just educate -- educate our  
8 partners and investors about XRP.

9 BY MS. WAXMAN:

10 Q. Why would she need to educate Ripple  
11 investors and partners about XRP?

12 MR. HECKER: Objection to form.  
13 Foundation.

14 THE WITNESS: As I recall, we had -- we  
15 had quite a few investors that invested in the  
16 Series A and the Series B that had limited  
17 understanding in cryptocurrencies. And so I thought  
18 it would be helpful to highlight the attributes of  
19 XRP.

20 BY MS. WAXMAN:

21 Q. Would those potential partners be  
22 purchasing XRP?

23 MR. FORD: Objection to form.

24 THE WITNESS: This email was to educate  
25 investors. The investors in Ripple in the Series A



1 and the Series B, who were the investors that this  
2 was -- this communication that Brad was going to  
3 review before distribution outside of Ripple was --  
4 some of them invested because of Ripple as a fintech  
5 company. Some of them invested for other reasons.  
6 And so I thought it would be helpful to start  
7 educating them about various attributes of the  
8 company. And in this specific communication, I told  
9 her to highlight XRP.

10 BY MS. WAXMAN:

11 Q. Did you think XRP was one of the most  
12 important attributes of Ripple at the time?

13 MR. FORD: Objection to form.

14 MR. HECKER: Objection to form.

15 THE WITNESS: I thought that we would  
16 highlight a different attribute of Ripple in every  
17 monthly email. And this was part of a series.

18 BY MS. WAXMAN:

19 Q. You mean a different attribute, a  
20 different -- in different months?

21 A. So the -- yeah. Exactly. So the next  
22 month, we would highlight RippleNet. The month  
23 after that highlight a specific product or an  
24 executive that we had hired.

25 Q. Did you make that recommendation to anyone

1 at Ripple?

2 A. I remember discussing it with Monica and  
3 Brad as part of a general investor relations  
4 discussion.

5 Q. You also say in the very top of the email:

6 "Told her to push XRP to try  
7 to educate investors and create  
8 some evangelists."

9 Why did you tell her to create some  
10 evangelists?

11 A. It is helpful in private company  
12 valuations and with investors to -- to create  
13 investors who are knowledgeable about the attributes  
14 of the company. And that's just a technique for  
15 investor relations.

16 Q. Were you looking for her to create some  
17 evangelists who would support XRP?

18 MR. FORD: Objection to form.

19 MR. HECKER: Form.

20 THE WITNESS: This communication was  
21 directed toward investors in Ripple equity.

22 BY MS. WAXMAN:

23 Q. At the beginning of the sentence, you say,  
24 "This is my bad."

25 Why do you write "my bad"?

1           A.    I had been at the company three or four  
2 weeks. I had directed an employee to take a certain  
3 approach with investor communications, and Brad had  
4 to spend, as he put it, you know -- I spent an hour  
5 rewriting this. Felt bad about wasting his time.

6           Q.    Did you have an understanding of what  
7 criticism Brad had with respect to your directive to  
8 push XRP?

9           MR. FORD: Objection to form.

10          THE WITNESS: I -- I don't recall.

11 BY MS. WAXMAN:

12          Q.    Was Ms. [REDACTED]'s role to engage with  
13 potential institutions who would purchase XRP?

14          MR. FORD: Objection to form.

15          THE WITNESS: At this point in time, my --  
16 my direction to her was to focus on investor  
17 relations of Ripple equity investors.

18 BY MS. WAXMAN:

19          Q.    At any point in time, did she have a role  
20 to engage with potential institutions who would  
21 purchase XRP?

22          MR. FORD: Objection to form.

23          THE WITNESS: As part of her  
24 participation, once she moved into XRP markets, that  
25 may have been, but I don't specifically recall.



1 MS. WAXMAN: Exhibit 4, please.

2 (Whereupon, Deposition Exhibit 4  
3 was marked for identification.)

4 BY MS. WAXMAN:

5 Q. Mr. Will, I'm showing you what's been  
6 marked as RW4, which has the Bates RPLI\_SEC 0068344.

7 MR. FORD: So I'm going to object to  
8 presenting him with only part of a document that on  
9 its face has an attachment without the accompanying  
10 attachment.

11 MS. WAXMAN: I'm not going to ask about  
12 the attachment. I'm just going to ask about what's  
13 in the email itself.

14 MR. FORD: That's fine, but he can't  
15 necessarily understand the context of the email  
16 without understanding the context of the attachment.  
17 Do you have the context?

18 MS. WAXMAN: No. It's about 100 pages, so  
19 I don't -- I don't have it.

20 MR. FORD: Okay.

21 MS. WAXMAN: I didn't print it out.

22 MR. FORD: Then we'll just put an  
23 objection on the record to not providing 100 pages  
24 worth of context for the email when you're  
25 questioning him about it, but go ahead.

1 BY MS. WAXMAN:

2 Q. Mr. Will, are you familiar with the entity  
3 Coinbase?

4 A. I am familiar.

5 Q. Okay. What is Coinbase?

6 A. My understanding is Coinbase is a  
7 cryptocurrency exchange.

8 Q. And did Ripple -- did XRP ever become  
9 available for listing on Coinbase?

10 MR. FORD: Objection to form.

11 THE WITNESS: Over -- over what time? Did  
12 it ever?

13 BY MS. WAXMAN:

14 Q. Yeah.

15 A. I believe it did.

16 Q. Okay. And when did XRP become available  
17 for trading on Coinbase?

18 A. I don't recall.

19 Q. You write in the email:

20 "Here's a presentation made to  
21 Coinbase for last week's meeting.

22 It is in an RFP format. Goal is to  
23 get XRP listed. Team felt it went  
24 well."

25 As we've noted, you don't have the

1 attachment. But did you have an understanding at  
2 the time why Ripple wanted to get listed on  
3 Coinbase?

4 MR. FORD: Objection to form and, again,  
5 to the extent you can answer that question without  
6 the attachment in front of you, go ahead.

7 THE WITNESS: Coinbase is a participant in  
8 a cryptocurrency market. It wouldn't strike me as  
9 unusual that we would have discussions with them.

10 BY MS. WAXMAN:

11 Q. So how would a listing on Coinbase be  
12 beneficial to Ripple?

13 MR. FORD: Objection to form. Foundation.

14 THE WITNESS: Coinbase was extremely well  
15 funded. It had a certain amount of stature within  
16 cryptocurrency ecosystem. They also provided a  
17 significant amount of liquidity in cryptocurrency  
18 trading. And they were probably the most, if I  
19 recall -- they were the most sophisticated player  
20 and they've been the first to go public. And so it  
21 seems natural that we would want to have a  
22 relationship with them.

23 BY MS. WAXMAN:

24 Q. Would a listing of XRP on Coinbase have  
25 led to more XRP trading volume?



1 MR. HECKER: Objection to form.

2 MR. FORD: Objection to form.

3 THE WITNESS: It may.

4 BY MS. WAXMAN:

5 Q. Was it your understanding that if XRP was  
6 available for trading on Coinbase, it would increase  
7 XRP's trade volume?

8 MR. FORD: Objection to form.

9 THE WITNESS: I don't recall at that point  
10 of time having a point of view about that.

11 BY MS. WAXMAN:

12 Q. You don't have -- you don't have an  
13 opinion of what impact an XRP listing would have had  
14 for Ripple in or around that time?

15 MR. FORD: Objection to form.

16 MR. HECKER: You're asking him if he now  
17 has an opinion about what would have happened then?

18 MS. WAXMAN: No. I'm asking he -- I'm  
19 asking him whether he had an opinion of what impact  
20 an XRP listing would have.

21 MR. HECKER: At the time?

22 MS. WAXMAN: At the time.

23 MR. FORD: Same objection.

24 THE WITNESS: Four weeks after I joined  
25 the company and was being introduced to